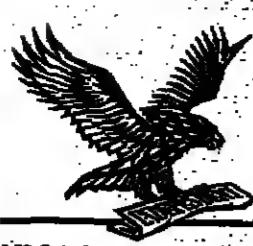


THE INDEPENDENT



THE INDEPENDENT

N° 3,116

TUESDAY 15 OCTOBER 1996

WEATHER: Bright spells, with showers

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The Tabloid

Glimpses of Galliano in Paris

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Tony Barber on Austria's far right

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News

A nation of Nightclubbers

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Tories caught in Cullen crossfire

Attitudes to ban shown as two-faced

Jackie Russell, James
Cusick and Michael
Streeter

The Government faces embarrassing disclosures about its two-faced attitude to gun law as the shooting and at times bitter lobbying over the Cullen Report came to a head today.

Ministers are expected to adopt a compromise which will ban privately-held handguns and insist they are stored at gun clubs whatever comes out of the Cullen Report on the Dunblane massacre, which is published tomorrow. But that will not satisfy Dunblane campaigners, who want an outright handgun ban, or the pro-shooting lobby, which considers the scheme unworkable.

A battle between the British Shooting Sports Council and the Snowdrop Appeal has raged over the Cullen Report into the deaths of a teacher and 16 children at Dunblane Primary School.

The compromise also contradicts Home Office opinion of last year, which pointed out big "problems" with the scheme. Home Office Minister David Maclean, speaking in a Committee debate on Wednesday, said removing guns from urban homes would cause a "big transit" problem of urban dwellers going to all the firearms clubs to get firearms. We would also need a big increase in the number of available armories and central storage areas.

The second contradiction, came from a suppressed report of a government Working Party which warned, 24 years ago, that a clamp was needed on privately-held firearms. The *Independent* has obtained a copy of the internal Home Office report, compiled by some of the country's most senior police officers of the time. Written in 1972, it recommended a radical shake-up of controls if Britain was not to descend into a gun culture.

Last night police officers and MPs said that if the report's warnings had been heeded, the tragedy at Dunblane, and Huddersfield, may never have happened. David Clark, secretary of the Police Superintendents Association, said: "The recommendations made in this report echo almost to a word the recommendations that the police service are making today."

The chief author of the report, Sir John McKay, a former chief inspector of constabulary, last night said he was sorry his advice had not been acted on. "I had a good deal of support from the police service for the kind of recommendations that I made at that time and, if action had been taken, a good deal of unfortunate occurrences that have happened might have been avoided."

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■ Subjecting shotguns to the same tough controls applied to Section One firearms.

■ A clampdown on gun dealers to ensure ownership of privately-held firearms was kept to an "absolute minimum".

The findings were presented to Robert Carr, home secretary in Edward Heath's

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Gerry Birmingham, MP, a Labour member of the Home Affairs Select Committee, which recently reported on the dangers of handguns, said: "If we had monitored this issue more carefully over the years and looked at this report and acted upon it, we would not be in the position we are today."

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Meet the British Government.



President Santer (Luxembourg)



Vice-President Marin (Spain)



Vice-President Brittan (Britain)



Commissioner Bangemann (Germany)



Commissioner Van Miert (Belgium)



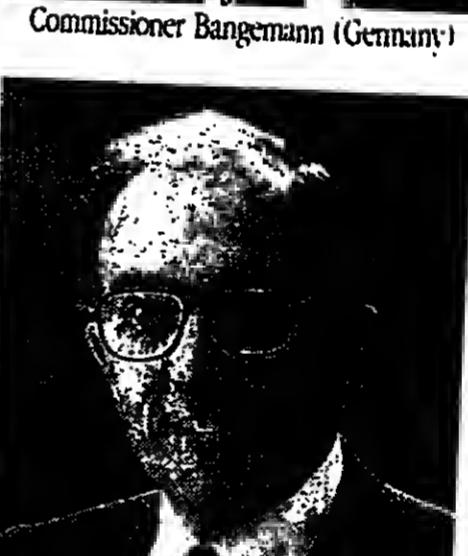
Commissioner Van Den Broek (Holland)



Commissioner Pinheiro (Portugal)



Commissioner Flynn (Ireland)



Commissioner Oreja (Spain)



Commissioner Gradin (Sweden)



Commissioner Cresson (France)



Commissioner Bjerregaard (Denmark)



Commissioner Wulf-Mathies (Germany)



Commissioner Kinnock (Britain)



Commissioner Monti (Italy)



Commissioner Fischler (Austria)



Commissioner Bonino (Italy)



Commissioner Silguy (France)



Commissioner Liikanen (Finland)



Commissioner Papoulias (Greece)

مكتبة الفصل

Make no mistake, the 20 European Union Commissioners are the people who really call the shots in Britain.

We are much further down the road to being part of a federal European super-state, governed by unelected officials in Brussels, than most people realise.

Did you know that laws made in Britain can now be overturned by the European Courts? That European law, created in Brussels by these 20 people, is now the law of this land?

That already we have agreed to run our economy for the benefit of Europe as a whole? So decisions taken in Brussels can result in increasing your taxes and lowering your income.

And that now it is planned that we abandon to Brussels control of our foreign policy, our national security and our borders?

More to the point, how do you feel about this?

The Referendum Party is the only major party that believes you should have the right to vote on whether Britain is merged into a federal European super-state, or remains a free and independent nation working with our European partners for our mutual advantage.

As you will see from our Party Conference in Brighton on Saturday, we are not politicians and do not want to be politicians.

Our supporters come from all parties; left, right and centre.

Our only aim is to secure a referendum on Europe. Then we will disband, so that once again our supporters can vote for their traditional parties.

There can be no more important decision a country can face than whether or not to continue as an independent nation.

It is a decision that belongs to the people of Britain, not to its politicians.

REFERENDUM PARTY

 Let the people decide

If you support the aims of the Referendum Party, call FREEPHONE 0800 919753 (lines open 7am - 11pm 7 days a week), or write to the Referendum Party, PO Box 1, Portishead, Bristol, BS20 8BR. Please quote REF I/15/10.

This advertisement prepared by Banks Hoggins O'Shea on behalf of the publisher: the Referendum Party, 1st Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF.

news

Flash, bang wallop... snaps that go to the heart of Britain



Snap happy: A picture entitled *Trimming the Wicket* (left), and the winning shot, *Steam Rally Boy*, which are in *Heart of Britain*, a book of photographs taken by individuals throughout the country. It was launched yesterday at a reception hosted by the Harrods chairman, Mohamed Al Fayed, and attended by the Princess of Wales; profits go towards heart-disease research at London's Royal Brompton Hospital

Photographs: Mr D L Harding, Mr A L Douglas

Maths exam pass mark was 14%

JUDITH JUDD
Education Editor

Government advisers have criticised an exam board for marking a maths paper so difficult that the pass mark had to be lowered to 14 per cent.

John Day, the chief executive of the Southern Examining Group, has been asked to meet officials tomorrow after an inquiry into the board's actions.

The unpublished inquiry report from the School Curriculum and Assessment Authority

investigated why candidates who scored such a low mark in one particular paper were still awarded C grades in this summer's GCSE maths.

The paper in question was one of two set for the most able candidates and the overall mark required for a C was 28 per cent – but on one paper it was only 14 per cent.

The paper was made more difficult after government examination advisers complained that the previous year's paper was much too easy.

The report into this year's exams says it was marked too harshly and candidates were given too little credit for those questions they had attempted.

Exam advisers concluded that all the correct examinations procedures had been followed but it was not good exam practice to make the exam so difficult.

The report added, however, that the overall standard required for a grade C for maths was maintained because no candidate was awarded a C who did not deserve one.

Mr Day will be asked to ensure that the paper is less difficult next year and that the questions are easier for less able candidates to understand.

The report acknowledges that the mark for a C was lowered for good reasons:

It accepts that changing the mark required to achieve different grades is common practice and is necessary if candidates are not to be penalised because an examination paper is more difficult than in previous years.

Hospital puts ban on elderly patients

LIZ HUNT
Health Editor

A hospital in west London is refusing to admit elderly emergency patients and has cancelled all non-emergency surgery because it has run out of beds, it emerged last night, as doctors warned of an impending winter crisis in the National Health Service.

Hillingdon Hospital has told family doctors in the north of the borough that it can take no more GP emergency referrals of patients over 75 because 30 acute beds – 1 in 10 of its total – are blocked by elderly people waiting to be discharged into community care. Instead,

the GPs have been told to refer elderly patients to nearby Mount Vernon Hospital in Northwood.

Alfred Morris, Labour MP for Manchester Withington, called the decision to refuse people medical care on the grounds that they were too old "grossly and unbelievably callous".

Mount Vernon has said that

it can cope for the time being but doctors fear a "knock-on" effect if the problem becomes long-term or if there is an influenza epidemic in the coming weeks.

Philip Brown, chief executive of the Hillingdon Hospital Trust, said yesterday: "If we take any more of these patients it will start to put a strain on our acute services. We have simply said, look, we'll provide all our normal services to our normal catchment area but for the time being we can't take these referred patients from outside our area."

He said that no elderly person who arrived at the hospital in an ambulance would be turned away but other emergency referrals would be redirected.

Chris Smith, Labour's spokesman on health, said the Hillingdon crisis was another example of the two-tier NHS which is gripping Britain. "Not only will you not get emergency treatment at Hillingdon

Hospital if you are over 75 – you won't get it if you live in the wrong part of the borough, either," he said. "Cash crises like this are an inevitable consequence of the Tories' market-led cuts. Last year there were almost a third fewer NHS beds in London than there were in 1989-90."

Dr Sandy Macara, chairman of the British Medical Association, said that the problems at Hillingdon were part of a "broader and gloomy canvas across NHS and community care". He added: "It is quite unacceptable ageism that elderly patients who need care and deserve special consideration should be made to feel that they are bed-blockers. Hospitals and social service departments should not be squabbling over who is responsible for provision for vulnerable people. The budgets are simply too tight overall."

Hospital consultants last week warned that hospitals were close to collapse as the demanding winter period approached.

Are you sure which rewards programme best?

Perhaps you need some more facts:

Inside Flyer magazine named Membership Rewards the Best Affinity Credit Card programme of 1996. "By a staggering majority, American Express comes first, wiping out all rivals..." Once enrolled you can enjoy a great range of rewards including complimentary flights through a choice of eight frequent flyer programmes. You gain points with virtually every purchase you make on the Charge, Credit or Corporate Card. These points don't expire as long as you're a Cardmember. Plus if you use the Card to book with our partners, you gain their programme points as well as valuable Membership Rewards Points. Any more questions?

To find out how we can help you do more, call now:

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MEMBERSHIP REWARDS Cards

Information overload makes managers ill

CHARLES ARTHUR
Science Editor

The arrival of the Information Age was finally confirmed yesterday when – like the Gulf war and chronic fatigue – a new syndrome was named after it.

Information overload syndrome is the result of the rapid growth of communications such as faxes, voice-mail, electronic mail, junk mail and the Internet, according to a new international survey. Its symptoms include a feeling of inability to cope with the incoming data as it piles up, and it can result in mental stress and even physical illness which may require time off work. The survey found that it is a growing problem among managers – and almost all expect it to become worse.

Executives and their juniors say they are caught in a dilemma: everyone tells them that they should have more information so they can make better decisions, but the proliferation of sources makes it impossible to keep abreast of the data.

The report, called "Dying for Information?" and compiled by Reuter, drew on interviews with 1,300 managers in the United Kingdom and elsewhere. It found that half already complained of "information overload, partly caused by "enormous amounts of unsolicited information, and the same proportion expected the

Internet to become a prime cause of the problem in the next two years. "These days, if you're a manager trying to do down a colleague, the best way to do it isn't to deny them access to data – it's to flood them in," David Lewis, a psychologist who runs an independent consultancy on stress, said.

The growth of information has been relentless. The *New York Times* contains as much distinct information every day as the average 17th-century person encountered in a lifetime.

Ruth Sacks, an independent consultant based in Sheffield, said about 12 months ago she was working seven days a week for clients "sending faxes, e-mail and reports, all of which had to be read and absorbed immediately, or so they said". She began feeling fatigued, with stomach pains and eye problems. "I took two days off and decided to be more structured in my dealings with these."

She now sets strict time limits for dealing with tasks, and throws away anything she does not need at once.

Paris fashion house chiefs change clothes

TAMSIN BLANCHARD
Paris

At a reception hosted by British Vogue at the British Embassy in Paris on Sunday night, the mood was buoyant. As Paris Fashion Week came to a close, the industry heard that John Galliano will head the house of Dior, after only three seasons at Givenchy, and that fellow British bad boy, Alexander McQueen – after only eight seasons in business – is to succeed him at Givenchy. Our home-grown designers now lead the established French couture houses.

There are, of course, a few gaps on the British front. Another job that had been up for grabs – designing a line of new luxury clothing for Louis Vuitton – will not go to Vivienne Westwood, as rumoured, but the American designer, Marc Jacobs. And, the most successful of all the houses, Chanel, still has Karl Lagerfeld at the helm.

Yesterday, at the show, the disco dollybirds with matted wig hair, posed from their moving travelator, a moving walkway

that seemed as long as those von Trapp children. First there were smart riding suits with crisp white shirts, black ties and jodhpurs, all reminiscent of the outfits that Coco Chanel used to wear.

Then came suits made from the sort of pastel prints that are usually reserved for make-up bags, and worn with patchy-knitted sweater dresses and then classic Chanel suits in bright garish colours.

The outfit whizzed past on the conveyor belt fast and furious, ranging from leather hotpants, to a baby-blue, tiered and beaded dress. There was a fine-knit sweater dress and then classic Chanel suits in sparkly boucle wool.

The silhouette was long and lean and the presentation sharp, upbeat and funny.

BA tells staff to work longer for less pay

BARRIE CLEMENT

Labour Editor

British Airways' 17,000 ground staff have been urged to take pay cuts of up to a third, a three-year wage freeze or a five-hour increase in the working week as part of the airline's most radical plans yet to maximise profits.

Apart from the pay cut, which would cost many of them £100 a week, employees have been asked to consider a reduction in their leave entitlement and the abolition of holiday pay. *The Independent* has learned.

The suggestions - which also include flexible annual hours and overtime at basic rates - are among 60 options presented to both blue-collar and adminis-

trative staff in order to save £1bn by the end of the decade and boost profits, which this year reached a record £535m.

It is understood that union leaders are preparing to ballot ground staff on industrial action in protest at the cuts, but management is drawing up relatively generous severance terms for those who prefer to leave.

The company is seeking similar sacrifices on pay from some 600 cabin crew, based at regional airports, as part of the company's "Step Change" initiative to make £1bn savings over four years time.

The regional workforce has been told that if the cuts are not achieved, BA will franchise the services to other airlines.

The "Step Change" document also warns that some

ground-based BA services could be switched to cheaper locations to take advantage of lower pay rates.

It has already set up "on-screen" functions in India to take advantage of a numerate English-speaking population, who will work for less than a tenth of the pay received by British staff.

Aircrew on long-haul flights have been asked to agree to the introduction of more foreign-based staff, presently numbering 850. Most of them will be working for lower rates than their British-based colleagues.

Pay rates for newly employed staff on long-haul flights are expected to decline by around 20 per cent. The airline intends to recruit 4,000 new crew over the next three years.

Mercy killing brother goes free

A man who killed his elder brother in the first known mercy killing case to have reached the Scottish courts walked free yesterday to an emotional welcome from friends and relatives.

Paul Brady, 37, was told by a judge at the High Court in Glasgow that in the "exceptional" circumstances a prison sentence was not appropriate. Brady had been charged originally with murder, but the Crown had accepted a reduced plea of culpable homicide.

Brady, from Skelmanthorpe, West Yorkshire, killed his brother James, 40, a victim of the degenerative illness Huntington's disease, on Boxing Day last year. James died at his sister's home in Glasgow. He had been spending Christmas away from a nursing home and had asked his elder brother to kill him. Brady gave him alcohol and extra medication and put a pillow over his face.

Relatives speaking on BBC television in Scotland said Huntington's disease had been a bight on their family; they had also watched the brothers' mother die from the disease, an illness that has no cure.

Gordon Jackson QC, for the prosecution, called it a "difficult and unique case" to be dealt with not on the basis of a "matter of principle" but in the interests of the justice of the individual case.

The judge, Lord McFadyen, told Brady that since the killing he had been living under the "shadow of a murder charge, but that there had been "powerful" mitigating factors surrounding his action. "You brought your brother's life to an end at his own earnest and prolonged heartfelt request," said Lord McFadyen.

The judge said he was satisfied that Brady had acted out of compassion and that there was no need for a custodial sentence in this case.

But he added: "Whatever the motivation may have been and however mitigating the circumstances, the deliberate taking of a life of another remains a serious crime ... In the exceptional circumstances of this case, the disposal must not be taken as reflecting any general view on the part of the courts, but simply the sentence I regard as appropriate in the individual circumstances of this case."

"I do not consider a custodial sentence is necessary or appropriate. Such a sentence would add to the already substantial suffering of those close to you."



Dancing girl: Monica Zamora in *Nutcracker Sweetsies*, a David Bintley production for Birmingham Royal Ballet. The show, on a national tour, is based on Tchaikovsky's ballet but has music by Duke Ellington and costumes by Jasper Conran. It opens in Bristol tonight. David Lister, page 29

THE OMEGA IS A
SOOTHING ANODYNE
TO FRANTIC SPORTS
CARS AND FRAGILE
OFFICES

THE OMEGA FROM VAUXHALL
LONDON SW1

DAILY POEM

Grange-over-Sands
By John Hegley

When they had fallen asleep
in the great hotel,
the snow fell.
By the morning it had laid
and after their Cambrian breakfast
they came out into the quiet flakes
and made
a snow dog.
Although it had no name or bone,
it had its own snowball
and a small snow owner.
who seemed to be an infinitely patient man,
and what with the Woodland Walk
and the nearby Lakes
they found themselves agreeing
that it was a very good place
to bring a dog
into being.

John Hegley, who lives in Newington Green, London, is a performance poet, singer, songwriter and broadcaster. Methuen this week publish *The Family Pack*, a sandwich of two previous collections *Can I Come Down Now Dad?* and *These Were Your Father's*, with the new *The Brother-in-Law and Other Animals*.

A Fresher WAY OF Banking

Fed up with your bank
charging for basic services
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LLOYDS	£6	£8
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HIGHLAND	£5	£7.50
TSB	£5	None

*Source: The Research Department Ltd. All financial information is checked for accuracy on a weekly basis.

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news

WHOSE BOOM?



The second part of The Independent's series on the economy looks at how inflation will remain a danger if the Government encourages companies to pay dividends to shareholders rather than invest in the future

Why failure to invest could kill recovery

DIANE COYLE
Economics Editor

With the economy shaping up to be a key electoral battleground, one of the fronts on which the Labour Party will be making a concerted push is investment – or, rather, the lack of it in the UK.

Investment is the dog that has not barked in this recovery. If there is a danger that interest rates might have to rise to guard against rising inflation, it will be because Britain's industrial capacity is woefully inadequate, according to Labour.

After only a few months of faster economic growth, surveys show that companies are already troublingly close to full capacity. Total investment spending across the economy increased by a third to the 1986 to 1989 boom. But it declined sharply during the following three years, and has expanded so little in the four years since the bottom of the recession the level of spending is still a tenth below its 1989 peak.

On the face of it, businesses are not giving the future of the "Enterprise Centre for Europe" much of a vote of confidence. The picture is particularly disappointing in manufacturing, where investment spending fell sharply in real terms in the first half of this year.

There are two possible explanations for this lacklustre performance by British business. One explanation – backed by research carried out two years ago by the Bank of England and the Confederation of British Industry – is that companies have not adjusted the rate of return they demand from investment projects to take account of lower inflation.

The Bank's economists have

found that companies have been only approving projects which have a return of about 20 per cent after tax, in money terms – a very demanding rate when inflation is only between 2 to 3 per cent. Almost three-quarters of the companies surveyed in March 1994 had not adjusted their investment criteria to take account of the lower inflation rate.

This hurdle to investment should by now have come down, to the extent that business people are confident inflation will remain low and stable. But the second obstacle has been uncertainty about the level of demand. After strong growth in 1994, the economy slowed again last year, and manufacturing tipped back into a mini-recession from which, by all accounts, it is barely emerging.

On both counts, prospects for increased investment next year look bright. Most forecasters reckon Britain is poised for the strongest performance since 1988. In fact, the key areas of private sector investment have already begun to rise sharply. The economy-wide measure has been depressed by the massive cuts in public sector investment not remotely made up by the Private Finance Initiative.

Remove the very depressed construction sector and the reduced investment spending by the privatised electricity and gas industries, and the picture looks brighter still. Investment by the corporate sector grew by more than 10 per cent in the year to the April-June quarter,

Last week, BMW of Germany announced that it will spend £2bn on its British subsidiary Rover by the end of the decade in order to increase production by a half to 750,000 cars a year.

Spring Steel Productions of Fulbourne Road, London E17, has embarked on a rather more modest expansion. It is investing £4m in new premises and

although this was inflated by a surge in imports of aircraft from the US.

So in the run up to the general election the prospects for investment look bright. But the longer-term concerns remain. The share of investment in total GDP is lower in the UK than in other industrial countries. This factor leaves the economy vulnerable to inflation whenever growth picks up from a fairly low rate.

The Labour Party has some policies to increase British investment. These centre on discouraging takeovers and short-term shareholding. The party would probably also restructure corporate tax to reduce the attraction of paying dividends to shareholders, rather than retaining profits for investment purposes.

MICHAEL HARRISON

It may be a long way from Walthamstow to the Bavarian capital of Munich and yet a common theme links a small engineering company in east London and one of Europe's most prestigious carmakers. Both are investing in Britain and both are investing for the future.

Spring Steel Productions of Fulbourne Road, London E17, has embarked on a rather more modest expansion. It is investing £4m in new premises and

equipment so that it can raise its output of springs and precision castings that go into, among other things, Rover cars.

One investment programme may dwarf the other but is equally important to the two companies. BMW's ambitious but risky strategy is to turn Rover into niche, upmarket cars and yet produce them in greater volumes. Spring Steel Productions wants to position itself to take maximum advantage of the new trend in manufacturing for large car and electrical goods makers and the like to do business with a handful of preferred suppliers.

BMW's strategy does not work there will be a high price to pay out just in Longbridge and Cowley but also in Munich. "If Rover fails then it will not only be a problem for Rover, it will be a big problem for BMW," says Walter Hasselkus, who took over as chief executive of Rover six weeks ago.

If Spring Steel Productions has instead its markets and its customers, who include the likes of Electrolux, AC Delco and Psiom, then the consequences will be equally dire.

Con Goss, the company's chairman, says this is his biggest investment since he founded the business with his father, Tom,

42 years ago. The amount being invested is the equivalent of nearly half the firm's total turnover. When the expansion is complete it will create at least 50 jobs – swelling the wages bill by a fifth.

A lot has been said and written about how industry has been deterred from investing by City short-termism and the level of returns demanded by the providers of capital.

But neither of these two companies has been daunted by excessively high hurdle rates. Mr Hasselkus says: "Rover will not start to make a profit until the next century but BMW is taking a long-term view and in-

vesting for the future. If we were interested only in short-term results we could make a profit from Rover in two years but that would mean not investing in things like paint shops which last for 20 years."

Mr Goss says: "People are falling over themselves to lend money but we have a healthy balance sheet and are funding this from profits as well as loans. We are also borrowing from the directors' pension funds and directors' loans."

A lot of companies have also held back from investing heavily by the memory of two deep and severe recessions and a fear that, though the economy is

growing strongly again, the next one might be waiting around the corner.

This is not the case for BMW or Spring Steel Productions. Such is the long-term nature of the investment at Rover that it will straddle at least two full cycles of the economy, perhaps more.

Back at Walthamstow, the only thing that stopped Mr Goss embarking on the investment earlier was lack of a site. "We badly needed room for expansion and were thinking of moving out of London. Then the factory next door came on the market."

"This solved the problem for us without the upheaval of a move for the firm and its employees."

Why the fortunes of BMW and a small London company are linked

Looking to the future: Con Goss, of Spring Steel Productions – "People are falling over themselves to lend money". Photograph: Nick Strelcove

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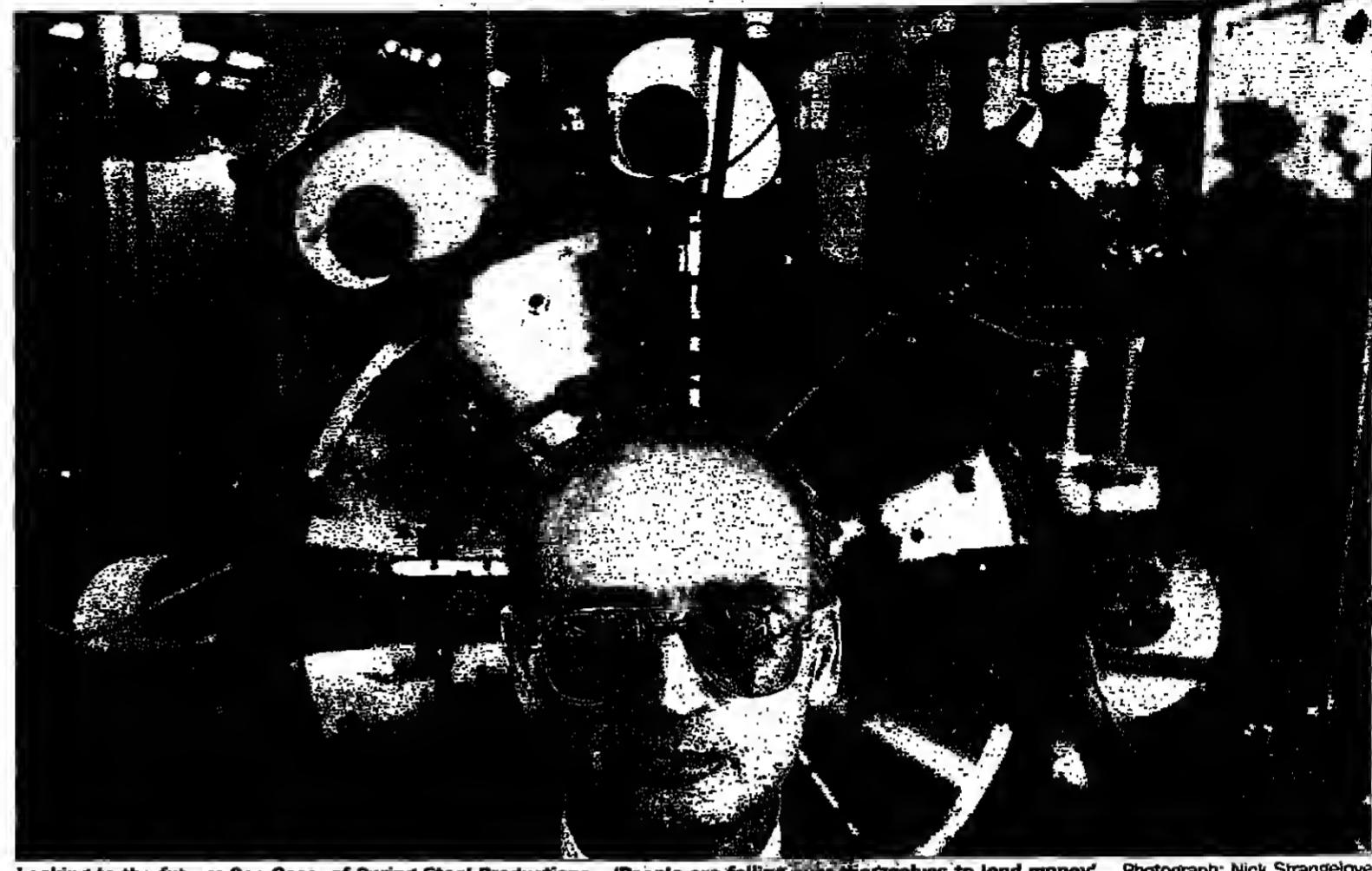
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On the ropes: Ann Widdecombe, the Prisons minister, watches inmates tackle an assault course at Thorn Cross Young Offenders' Institution
Photograph: Gleave

Boot camps are not a soft option, says minister

JASON BENNETT
Crime Correspondent

Ann Widdecombe, the Prisons minister, yesterday dismissed suggestions that the new American-style boot camps for young offenders was a soft option.

Her comments followed a visit to a Cheshire institution to watch an early morning parade ground drill. The Home Office was stung by reports that some of the 37 offenders on the new programme believed it to be more like a holiday camp than a punishment.

Speaking at the Thorn Cross Young Offenders' Institution, near Warrington, which takes young offenders aged between 18 and 21, she said: "What we were trying to do was get the best practice from the United

States, but also the best practice from Britain from our own young offender institutions."

The five-month programmes at Thorn Cross cost nearly £14,000 for each offender — against the £2,500 individual costs at ordinary institutions. The inmates rise at 6am, clean their rooms and kit, and spend up to three hours shining their shoes, before the officers' morning inspection. The regime includes education, PE sessions, an assault course and group meetings on topics such as anger management, during the 16-hour day.

The Government is studying the effects of the regime, and will also be looking at a similar project run on more military lines at Colchester Army Prison, in Essex, before planning a

national strategy for dealing with young criminals.

One of the Thorn Cross inmates, Andrew Honey, 19, from London, said: "You get more respect from the other inmates because we are treated as a team here ... only yourself can make you change, but this regime is going to help me change. If people want it to work, it will work."

Carl Johnson, 20, from Newton Heath, Manchester, said: "It does my head in; this marching at 6am. Cleaning the room with all this brick dust, that does my head in as well. Sometimes you think might be better in a closed prison."

Another inmate, Stefan, 18, added: "We have got a more of a chance when we come out of here than anywhere, really."

Anger boils over in fish-quotas battle

KATHERINE BUTLER
Luxembourg

Britain and Spain clashed angrily over fishing rights yesterday setting the scene for a bitter confrontation with Europe on the emotive problem of "quota-hopping".

European fisheries ministers meeting in Luxembourg unanimously rejected controversial proposals for cuts of up to 40 per cent in catches to save dwindling stocks of key species like cod, haddock and sardines. But the row over Spanish trawlers using Britain's national quota erupted into the open amid accusations of theft and piracy.

Fisheries minister Tony Baldry vowed to block agreement of "any compulsory or substantial" cuts to the British fleet until the EU takes action to stop foreign — notably Spanish and Dutch — fishermen buying UK vessels to take advantage of British catch quotas.

Mr Baldry's use of the term "quota-hopping" caused immediate offence to the Spanish minister, Loyola de Palacio, who said she interpreted it to

mean "booting or piracy". Signalling Spain's complete rejection of British demands for a change in the EU treaty to make quota-hopping illegal Ms de Palacio accused the British government of wanting a single European market only where it suited Britain.

The European Court had ruled that Spanish boat owners could buy British trawlers and operate on the basis of Britain's fishing quotas because fishing was governed by the rules of the single market. There could be no going back on this verdict she said. The same principle applied when British commercial interests invested in the Spanish sugar industry which is also

regulated by EU production quotas she said.

A defiant Mr Baldry then deepened the row by suggesting to reporters that Ms de Palacio was right to regard the term "quota-hopping" as pejorative.

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news

Disco revolution: Survey finds more than four in ten adults regularly go to clubs, with older ravers more welcome than ever



A little night music: The core clientele remains 15- to 24-year-olds, but clubs are not as age-exclusive as they used to be

Photograph: Craig Easton

Over-45s get a second wind for nightclubbing

GLENDA COOPER

So Peter Stringfellow wasn't cut there on his own after all. One in three over 45-year-olds now dances the night away at nightclubs and discoteques around the country, a new survey has revealed.

According to the market researchers Mintel, more than four in ten adults go clubbing now, up from 34 per cent two years ago. And the biggest leap has been amongst 45-54-year-olds, where 15 per cent more now go to clubs.

There are now 4,100 nightclubs in Britain compared with 4,200 in 1994. Drinks - usually

alcoholic - account for the vast majority of the revenue generated by the club and also the bulk of profits they make.

The core clientele of nightclubs still remains 15-24-year-olds, of whom nearly half go clubbing regularly. But Chris Butcher, the report's author says clubs have recognised the need to cater for older visitors.

"Nightclubs have recognised this trend," he said. "It's partly because of the rising divorce rate. People are finding it harder to find a partner, so they are going to clubs to find romance."

"With increased working time and the pressures on

leisure time they are more keen to go to clubs. They also have more disposable income compared with the younger age groups and so can afford club prices. Nightclubs have reacted to this trend by organising more theme nights, such as over-25 nights and over-35 nights".

And Dom Phillips editor of *Mint*, the leading dance music and club culture magazine, said clubs today are not as age-exclusive as they used to be: "It is all about having the right attitude," he said. "The kind of club which is more techno-oriented also tends to be open-minded. You could be 60 and no-one would mind."

"There is also a big generational change, the idea of the second childhood. People are not settling down until later, so it's not unusual for 35-year-olds to go out. And a lot of DJs are in their late thirties, so it's not a big deal. Dance music is very all-embracing. It's not about where you're from or how old you are, it's where you're at," says Mr Phillips.

Regionally, Scotland and the North-west represent the highest proportion of frequent visitors - one in five Scots is a frequent visitor to nightclubs - with London lagging behind, representing only 9 per cent.

By the end of 1996, industry revenue will break through the £2bn barrier for the first time. Average spend per head will be £11.60 which is considerably lower than the 1991 level of £13.71, due to increase in the importance of mid-week trading nights when people tend to spend less money.

However, too many drugs are being taken in clubs according to clubbers. More than a third of 15-24-year-olds agreed with the statement "too many drugs are taken at clubs" - double the view who took this view two years ago.

Nightclubs and Discoteques is available from Mintel, price £375.

Whistleblower to defy gagging order

TONY HEATH

A social worker who blew the whistle on the alleged abuse of children in the care of a South Wales council is to defy a gagging order from her employers.

Karen Mackay, who works for Cardiff County Council, was told by letter not to speak out again after she publicly criticised the cut in a prison sentence handed out to Geoffrey Morris, a former social worker at the now closed Taff Vale children's home in the Whitchurch district of the city.

Judge Michael Gibbons reduced Morris's five-year sentence for indecently assaulting three boys in his care in 40 months. The judge said he had not seen key video evidence before imposing the original sentence.

Mackay pointed out yesterday that her strictures were aimed at the sentence reduction, not the authority. "I expressed my personal thoughts about

the sentence on a man I had previously known and trusted being cut. That had nothing to do with the council."

Currently on sick leave, Ms Mackay fears that she could be disciplined when she returns to work. "The letter from the assistant director of social services warns: 'We will wish to talk about this further when you return to work'."

Ms Mackay worked at the Taff Vale home before it closed in 1991. She has made allegations about abuse at other council homes. She alerted management to her worries at the beginning of the year, but says an action other than a joint investigation by police and social services into the former Taff Vale home has been taken.

Denying that the letter was a threat, a council spokesman said: "There is nothing sinister about the letter. No member of staff is allowed to speak to the media about matters relating to work."



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Austria's far right claims Goldsmith as ally

ADRIAN BRIDGE
Central Europe Correspondent

Flushed with its success in Sunday's elections to the European parliament, Austria's far-right Freedom Party yesterday said that it had formed links with members of Sir James Goldsmith's anti-European movement, and right-wing Conservatives.

Jörg Haider, the Freedom Party's leader, said that his party was seeking to join forces with all those who shared its aim to revise the Maastricht treaty on closer integration and to oppose the speedy introduction of a single European currency.

Mr Haider refused to name names, but others in the party indicated that likely allies could include Sir James' "Europe of the Nations" group, members of the Italian Northern League led by Umberto Bossi, and even Euro-sceptic British Conservative MEPs, currently part of the centre-right European People's Party bloc. Sir James' group is perilously close to the minimum 18 MEPs required to form a group in the European parliament.

"We have developed some pretty good contacts with the Goldsmith and Bossi groupings and some British

Socialists still in the driving seat

The European election results were a victory for the Socialists, who won 125 seats, followed by the Greens with 53, the Greens-EFA with 38, the Liberal Alliance with 26, the PES with 24, the EPP with 23, the ECR with 12, the EFD with 11, the EPL with 7, the EAF with 6, the EPL with 5, the EPL with 4, the EPL with 3, the EPL with 2, the EPL with 1, and the EPL with 1.

Conservatives," said Wolfgang Jürgen, a Freedom Party MEP. "What we would like would be to have informal arrangements with them, a form of technical co-operation."

A spokesman for the Conservative MEPs described as "absolute rubbish" the suggestion that any of them would want to work with Mr Haider. "No approaches have been made to British Conservatives in Strasbourg, nor would they accept any such approaches," he said. "There has clearly been a misinterpretation."

The Freedom Party's five MEPs (to be increased to six as a result of Sunday's vote) stand outside all of Strasbourg's established political groupings and are lumped together with an assortment of marginalised independents, including the Reverend Ian Paisley and members of the French National Front, headed by Jean-Marie Le Pen.

"All the people who want to push the Freedom Party into a far-right corner have to recognise it as a conservative party like any other in Europe," said Mr Sichrovsky, a man who once described Mr Haider as "scam" but who then converted to his cause. "I can tell you that several conservative parties [in Strasbourg] were just waiting for this result to start discussions."

The Freedom Party's 27.6 per cent in Sunday's vote brought it to within less than two percentage points of Austria's two leading parties, the Social Democrats and conservative People's Party, which scored 29.1 per cent and 29.6 per cent respectively. Leaders of the two main parties sought to dismiss it as a protest vote triggered by anger over a cost-cutting budget passed earlier this year, and disillusionment with the European Union almost two years after joining it.

In addition to revising the Maastricht treaty and slowing moves towards economic and monetary union, Mr Haider's priorities in Europe include negotiating a reduction in Austria's net contribution, a revision of the Common Agricultural Policy and the creation of what he terms "a Europe of the fatherlands".



Salute: Jörg Haider with supporters after his Freedom Party poll victory at the weekend. Photograph: Reuter

Costs may force Trib to leave France

MARY DEJEVSKY
Paris

The *International Herald Tribune*, which has been based in Paris since it was founded in 1887, is considering the possibility of leaving France on cost grounds, it emerged yesterday. The chief executive, Richard McClellan, confirmed that a study had begun and that all options would be considered "with a totally open mind".

It was a question of ensuring the "long-term viability" of the paper. "It would be very sad to move from Paris," he said, but "France is a very expensive place to operate." He denied the future of the paper, which is jointly owned by the *New York Times* and *Washington Post*, was at risk, stressing that circulation had risen by 1.5 to 2 per cent over the past year and that revenue from advertising was higher

completely. Michael Geler, who took over as editor of the *Herald Tribune* this summer, told Agence-France Presse that one or more departments could be moved, while leaving some staff in place. Administration and editing, for instance, could be transferred, while the small number of reporters remained in France.

Some staff believe moving operations to the US, or to London, would diminish the paper's international "feel" at a time when the US media generally seem to be looking increasingly inward.

Mr McClellan said yesterday, however, that any decision to move the base of operations would have no implications for the paper's editorial outlook, which would remain thoroughly international.

Even the suggestion that an institution as widely known and

Herald Tribune

Under threat: The *Herald Tribune* may leave its birthplace

than ever. The paper would open another one, and possibly two, printing sites in Asia in the coming year.

But printing in France was more expensive than at any of the other 11 sites around the world. The paper also has to comply with France's inflexible labour laws.

There is speculation also that changes to the paper over the past two years, which include an increase in the number of news pages, may not have brought the envisaged increase in circulation. Despite an expanded distribution network, especially in Asia, the potential for increasing sales elsewhere appears limited. In Europe there is keen competition from the *Financial Times* and *Wall Street Journal*, and higher sales inside the US would risk taking circulation from the *New York Times* and *Washington Post*.

No decision is expected before the New Year, and any move is unlikely to entail shutting down operations in Paris

respected as the *Herald Tribune* might consider leaving Paris, or greatly scale down its operations, would have great symbolic significance in France.

It might even bring home to the French authorities – as the number of companies starting to relocate, including to Britain, appears set to have done – that the exceptionally high charges levied on employers in France are among the reasons why the unemployment rate – at 12.6 per cent – is one of the highest in the industrial world.

France will be without many of its newspapers, radio and television news programmes today and tomorrow as journalists strike in protest against government plans to phase out a 30-per-cent tax advantage that they have enjoyed for more than 60 years.

The strike is timed to coincide with the presentation to parliament of the budget bill, which contains measures to simplify the tax system as part of a five-year fiscal reform.

Don't hide reality of war, says Tusa

War's "ghastly reality" must not be hidden from British television viewers, the broadcaster John Tusa said last night at the second Rory Peck Award for freelance cameramen.

"Bloodstains on the ground or a small crater are wholly inadequate substitutes for the actuality of multiple killings. It is an erosion to say that they are and a misuse of the bravery of cameramen and journalists, whether freelance or not, to say that they are."

"We must avoid a pornography of violence, where networks start to compete with one another in the amount of gore that they show," said Mr Tusa, a former head of the BBC World Service.

"But when some viewers complain about violence on the news, when it is an essential part of the knowledge needed to assess what's happening,

I believe the only answer to complaints is to say: 'I'm sorry, we will not censor the ghastly reality, for that is the only way that you, the voters, the citizens, can be properly informed about the world around us.'

"Is there not a mismatch between our comparative tolerance about violence as an essential component of TV entertainment and our restraint and constraints in presenting the violence of the world around us?"

Mr Tusa said television needed a regular programme in which a journalist who had followed a crisis or war should be allowed to present an in-depth documentary.

The Rory Peck Award was won by Jane Kolen, a 34-year-old Canadian, for her account of the last big battle of the Bosnian war.



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international

Costa del Sol's image is tarnished by lead

ELIZABETH NASH
Madrid

Spain's Costa del Sol, that glamorous haven for criminals on the run, has shown its darker side, with four underworld shoot-outs in just over a month. Following the assassination last weekend of a French couple by hooded gunmen, the Costa del Crime is being dubbed the Costa del Píe (Lead), and glitzy Marbella, the Miami of Europe.

Madrid authorities sprang into action to combat what they believe is a network of international crime and violence linked to money-laundering, drug-trafficking and clan warfare, reminiscent of the era of Al Capone.

The Interior Minister, Jaime Mayor Oreja, last week set up a string of anti-mafia police action squads along the coast from Estepona to Almeria, centred on a 20-strong élite unit based in Marbella.

Police have long suspected that international criminal

organisations have been quietly decamping from traditional haunts in Marseilles and Palermo to instal themselves in Marbella, alongside Middle Eastern and Russian multi-millionaires whose flamboyantly extravagant fortunes have cascaded into the town.

"We want to control the arrival of these criminal gangs in the Costa del Sol, watch their operations and detain them. We have launched a preventive and surgical campaign. But we cannot create a police state," Jorge Cabezas, the regional governor of the provincial capital, Málaga, said this week.

Police complain that the contest is as unequal as that between David and Goliath. They say they are hopelessly outsmarted by 200 criminal gangs with bottomless purses, yachts and powerful vehicles, while their investigations are stymied by something as mundane as the lack of a translator.

"What's the use of tapping suspects' telephones when we can't understand what the fuck

they are saying?" railed an exasperated policeman last week. He was referring to two Bulgarians arrested in connection with the death last month of Francisco Javier Bocanegra, a well-known Marbella lawyer.

He was found in his luxury Marbella home with his hands and feet tied and his face beaten to a pulp.

The two suspects, linked to a male-prostitution ring, drove away in the victim's car and were seized last Tuesday about to board a plane leaving Spain.

On 5 October, a French couple, Jacques René Grangeon and Catherine Castagna, were riddled with 27 machine-gun shots and left lying in their bloodsoaked front room.

The couple had rented a £5,000-a-month mansion on Marbella's "Golden Mile" near a palace belonging to King Faisal of Saudi Arabia.

Police suspected Grangeon of cocaine and hashish trafficking on a gigantic scale. The massacre, a blizzard of bullets in the middle of the night, was the

work of French hit-men, police reckoned.

A Marbella policeman, Juan Alameda, was shot three days earlier. His suspected killer is a Dutchman known to police as a striptease performer and who is wanted for robbery in The Netherlands.

Marbella, none the less,

claims to be one of the safest

spots on the coast. The right-wing mayor, Jesus Gil, who has more than doubled police strength during five years in office, has cleared the streets of drug-pushers, pick-pockets and bag-snatchers. He plays down the recent carnage as "isolated incidents that could happen anywhere".

Fearful that bullets might

scare off the torrent of money

gushing into his town, Mr Gil insists Marbella is a haven of peace and sunshine. But events suggest that the eradication of petty street crime has not prevented high-flying criminal violence from flourishing behind closed security gates and barbed-wire fences.

Place in the sun: The mayor insists Marbella is peaceful, despite the crime

Photograph: Robert Harding Picture Library



PUEBLO
DE
MARBELLA

No music, but a licence to howl at the moon all night long

On the morning of her pre-nuptial party, Gabriele received presents from people she did not know, and a letter from her next-door neighbours: "We wish you happiness," they wrote, "but we must warn you. If there is any noise after 10 o'clock, we shall call the police." Signed: "The people from Number 34."

So here we were on her *Pöller-abend*, a night of merriment when the bride and groom are toasted by their friends amid the sound of shattering china, broken symbolically to ward off evil spirits. The custom is as ancient and German as the tradition of denouncing disorderly neighbours to the authorities.

Not wishing to get on the wrong side of the law, Gabriele had gone out of her way to seek licence for her one night of anti-social behaviour. Notices had gone up on the doors of every house in the street, advising res-

idents that there would be a certain amount of noise emanating from Number 36 this Saturday night, on account of her forthcoming wedding. It is so ordained that the whole of

Beyond 9pm, baths are no longer run, washing machines are turned off and dogs are muzzled

Germany must fall eerily silent by 9pm. Beyond that time, baths are no longer run, toilets go unflushed, washing machines are switched off and dogs muzzled. Even the wildlife in the forests around Bonn seems to respect the Germans' craving for *Ruhe*, a word whose literal transla-

tion – "quiet" – fails to convey the original's hidden menace and urgency.

Notifying neighbours several weeks in advance allows you to breach the peace for an extra hour, but a minute after 10 o'clock you are treading a legal minefield. Legend has it there are forms that can be filled out in triplicate at the local police station, which, when correctly stamped and annotated, entitle the bearer to an extension into the early hours. The procedure is designed to keep successful applications to a minimum. Gabriele, with nothing but a PhD by way of an education, was unable to grasp the intricacies, and so her request was refused.

The guests started arriving at eight o'clock, tossing old plates on the pile as they joined the mêlée in the back garden. Each crash was greeted with wild cheers, but the rub-

ble was immediately swept onto the heap. Even at party time, order must reign. The guests tucked into the *Wurst* sizzling on the grill and helped themselves to the soup bubbling over in a huge cauldron.

As we glanced nervously at the ghostly blue light flickering behind the curtains at Number 34, the conversation inevitably turned to the rigours of German life. Everybody had a hair-raising story to tell about their neighbours. There are so many bylaws, regulating our daily existence, that virtually all of us had at one time perpetrated heinous crimes which had somehow found their way to our bulging police files.

Some of our transgressions had

been minor ones, such as allowing our pets to leave dirty paw prints in the entrance hall of our apartment blocks. Those with children belong to the hard-core of offenders, repeatedly failing to meet the community's norms on two counts. Kids are notoriously filthy and noisy, and they do insist on playing in the streets between 1 and 3pm – hours set aside for *Ruhe*.

I have never been quite sure what Germans do behind their shutters when the lights go out at 9pm, but I suspect many of them are writing petitions about the people next door. Cultivating neighbours offers no immunity against a malevolent pen. A friend who saved a blazing house next door by calling the fire brigade thought he was safe. Imagine his surprise, when a few months later the landlord knocked on the door. Our hero had been reported

for not sweeping leaves off his garage roof. The source of information? – his grateful neighbour.

None of us had ever dared to hold a real party, and were intrigued to

There are so many laws regulating our existence that we were all guilty of heinous crimes

discover whether Gabriele would get away with it. A Scottish folk band, consisting entirely of Rhinelanders, struck up just after 9pm. The beer flowed and the decibels rose, and still there was no sign of the people from Number 34.

They never came, but shortly

after 10pm the police arrived. They understood the circumstances were special, but a complaint had been made and rules were rules: the music had to stop, though the party could continue. It was a classic German compromise. The band packed up, the lights at Number 34 dimmed. Luckily, we had a couple of constitutional lawyers in our midst, who had spotted a loophole in the ruling. "No music," the police had said, but they did not say "no singing".

Which is exactly what we did, howling heartily like dogs at the full moon. Fortified by the beer, we were invincible, and experienced a catharsis that only those who have lived under communism can appreciate: a sense of liberation stemming from the intoxicating knowledge that we had finally beaten the system.

Imre Karacs

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news

Turks threaten to block Nato's eastern push

CHRISTOPHER BELLAMY
Antalya

Turkey could veto Nato expansion if its long-standing ambition to join the Western European Union, the alliance's European arm, is denied, according to speakers at a conference last weekend.

Turkey sees membership of the WEU as a stepping stone to membership of the EU, and is irritated by the haste with which Nato is preparing to admit favoured East European countries while ignoring its sensitivities.

Although Ankara has expressed its concern through diplomatic channels, last weekend marked a significant heightening of public anger at what is seen as Turkey's unjust exclusion from the European top table.

The Antalya conference on security and co-operation – an annual international meeting organised by the Atlantic Council of Turkey – was addressing the expansion of European security institutions in the light of imminent Nato expansion.

Turkey's Deputy Prime Minister, Tansu Ciller, cabled the conference saying: "Enlargement processes of Nato, the EU and WEU should evolve in a parallel manner ... it is not realistic or justifiable that Turkey, an ally of the West for 44 years, is denied the European perspective while at the same time we are expected to enter into additional alliance commitments when Nato's enlargement is concluded."

"Our allies should understand that lack of responsiveness in this connection can lead to a backlash in Turkish public opinion and the parliament,



Tansu Ciller: Backlash

which may prove difficult to contain." The decision to admit new members must be ratified by the parliaments of all 16 current Nato members. The last sentence of the Ciller telegram suggests the Turks might refuse.

The first new states, possibly Poland, Hungary and the Czech Republic, may be invited to join in Spring next year and could be admitted to Nato on its 50th anniversary in April 1999.

Bayan Mustafa Kalemli, the President of the Grand National Assembly of Turkey said: "Are we going to be a prime and proper little boy waiting in the queue while the spoilt brats of Europe get what they don't really deserve?"

To applause, he continued: "We need Europe but Europe also needs us and we are not accustomed to being told things like that. We are a proud nation. Please do not try Turkey's patience. That will be detrimental to all."

What angers the Turks particularly is the prospect that the new entrants to Nato may gain EU membership in 2002, thus possibly leaping into the EU ahead of Turkey which has

been a loyal ally of the West for so long.

Speakers at the conference stressed that full WEU membership was confined to EU member states and that the Nato military guarantee to Turkey was not affected. However, Mr Kalemli said: "So long as Turkey is not a full member of WEU, the Turkish parliament will not allow it to participate in WEU manoeuvres."

The WEU is developing a role in peace-keeping and disaster relief but is incapable of guaranteeing security in the event of war, which only Nato can do. "As the secular country that Ataturk founded we are in Europe. We cannot accept double standards any more," Mr Kalemli said.



Cheer leader: Turkey's Prime Minister Necmettin Erbakan and his son (left) salute their Welfare Party conference in Ankara on Sunday. Photograph: AP

significant shorts

Dissident's mother to speak at trial

The mother of Wang Dan, the detained Chinese dissident who has been charged with plotting to overthrow the government, yesterday said she would be part of his defence team at his forthcoming trial.

Taking a robust stance against the shortcomings of the Chinese judicial system, 61-year-old Wang Lingyun said she would defend her son against an ancillary charge of collaborating with overseas subversive forces. Mr Wang, 26, will also be defended by a lawyer. There seems little chance of Mr Wang being found guilty. "I'm not optimistic," Mrs Wang said. "But I must say for the record, this will become history."

Teresa Poole - Peking

Spies told to get on the trail of better value

Britain's intelligence services, under pressure to prove their worth in the cost-conscious post-Cold War era, should hire outside consultants and spy more on economic targets, intelligence observers said yesterday.

But Britain could not retain its high diplomatic profile if it stopped spying operations and relied instead on commercially gathered and publicly available information.

"Real comparative advantage remains with those nations whose knowledge base outstrips that of the competition," Professor Peter Hennessy told the Royal Institute of International Affairs, on the day the Act allowing MI5 to fight organised crime took effect.

Peter Hennessy, page 19

Dismissal for abuse magistrate

The Belgian Supreme Court dismissed the acclaimed chief investigator of a murderous child porn ring, disregarding widespread pleas to keep the magistrate on the case. The ruling was certain to raise a storm of protest after the justice system had been criticised for mishandling several key cases before investigating judge Jean-Marc Commerot re-stored some credibility.

Mr Commerot became a national hero in August after saving two children from the secret dungeon of a convicted child rapist, an inquiry that led to the bodies of four young kidnapped girls and a network of child porn.

AP - Brussels

Cut delays EU travel projects

European Union finance ministers rejected a bid to secure £900m in extra funding for a series of trans-European road, rail and airport projects.

EU officials said the decision might delay work on "trans-European networks" but that all would be completed. They include high-speed railways, among them a link between London and Amsterdam.

AP - Luxembourg

Lebed backs Yeltsin guard

Alexander Lebed, Russia's national security adviser, declared his support for Boris Yeltsin's former chief bodyguard, Alexander Korzhakov, who is running for his old seat in parliament.

It appears Mr Lebed, who is trying to consolidate his power base in readiness for the next presidential race, sees Mr Korzhakov as a source of funds. He may also value the latter's collection of allegedly compromising material about top Kremlin figures and potential rivals.

Phil Reeves - Moscow

Cosmic command down to earth

A Taiwanese cult leader who claimed divine powers has admitted he does not have them. Sung Chi-li, who had maintained he was the reincarnation of a "cosmic body", conned up to £75m in cash and gifts out of followers. He confessed after being arrested and failing to demonstrate supernatural powers.

"Please don't believe in me any more," a tearful Sung told followers after more than nine hours of interrogation. Police said he had confessed to taking land, cars, and cash from thousands of believers who worshipped him like a god. The Sung Chi-li Transmigration Society's main shrine was demolished on the grounds that it was built illegally.

Reuters - Taipei

Army of god runs into the Afghan sands



A Taliban fighter trying to retrieve a shoe from animals at a zoo in Kabul.

TIM MCGIRK

The Taliban religious militia, the conquerors of Kabul, are facing the same miseries that confronted the Soviet army in its doomed war in Afghanistan.

Even with an armada of helicopter gunships and MiG fighter planes, the Soviet army failed to prise the rebels of Ahmed Shah Massoud out of the Panjshir valley, a long, deep vein running through the Hindu Kush range.

Now Mr Massoud's forces are back again in the Panjshir, fighting the Taliban who two weeks ago chased them out of Kabul.

It could not be much worse for the Taliban. Apart from a few helicopters and aged fighter aircraft (flown by ex-Communist pilots who do it for money, not from Islamic zeal), the Taliban cannot fall back on aerial support.

Their warriors are expected to climb mountains wearing plastic sandals and wrapped in blankets against the icy winds. As southerners, the Taliban are as unfamiliar with the craggy de-

siles of the Hindu Kush as were the fair-haired Soviet conscripts from Ukraine.

Using the same hit-and-run tactics perfected against the Soviet army, Mr Massoud and his men have dealt the Taliban their worst reverses since the militia began their victorious sweep across most of Afghanistan almost two years ago.

Stealing down out of the mountains, Mr Massoud's men have succeeded in encircling Jaloos-e-Siraj and Charikar, two key towns on the Salang highway, which connects Kabul to Central Asia. The Taliban "information minister" in Kabul, Amed Khan Mutraqi, conceded yesterday that the militiamen had made a "tactical withdrawal" from these two besieged towns.

At the same time, Mr Massoud's men have struck even closer to Kabul. For several nights running, forces loyal to Mr Massoud and the ousted President, Burhanuddin Rabbani, have attacked Baghram airbase, only 30 miles from the capital.

The Taliban fighters are de-



Map showing the region around Kabul, including Tajikistan, Afghanistan, and Pakistan.

chief Massoud had never been pushed off that mountain by the Russians but we did it," he bragged. "Of course, our commander threatened that he'd kill us if we tried to run away," he grinned.

Most worrying for the Taliban is the new alliance between their growing band of ethnic enemies. The Taliban draw their fighters from the Pathan tribes of the south. The alliance unites Tajiks, under Mr Massoud, the Uzbeks of General Abdul Rashid Dostum and Hazara Shias from central Afghanistan. Gen Dostum, an old foe of Mr Massoud, has yet to hurl his forces and tanks into the fray but he may do so.

Geo Dostum is a former Communist who switches sides when it suits. But he is probably being persuaded by Iran and the Central Asian republics to swallow his rancour against Mr Massoud. The Taliban yesterday warned Iran not to interfere in its war against the ousted regime.

Even though Mr Massoud's Tajik forces are skirmishing with the Taliban only six miles from the northern gates of Kabul, he may not gamble on a direct attack immediately. Most likely, say observers, he will first capture Sarobi, to the east, blocking Kabul's supply line to Pakistan. Then he might try to overrun Baghram, so that his forces and Geo Dostum's can use it as a launching pad to besiege Kabul.

The Taliban scored numerous victories by outmanoeuvring their enemy, using fast vehicles armed with rocket-launchers. This worked well as long as they were attacking but now they are stuck defending Kabul, the Taliban may have no choice but to sit and wait for Mr Massoud's approach.

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Barzani said he thought Mr Talabani and the PUK were finished unless they got support from Iran – and this may well have happened. Whatever happens in the present fighting the civil war will go on. The KDP may be forced once again to look to Baghdad for military aid. The 3.5 million Kurds of northern Iraq will be more dependent than ever on neighbouring powers.

Villagers in the mountains of northern Sulaymaniyah province will not be surprised at the reversal of fortunes. Abdullah Hussein, a shepherd in the Shawkal valley, said: "The PUK still have a lot of men. Do you think they will do nothing?"

The problem for the KDP was spelled out by Jamal Mo-



Counting the cost: Massoud Barzani turned to Saddam

hammed, the PUK military commander for northern Sulaymaniyah, in his headquarters in a village on the Iraqi side of the Iranian border. He said his men had just beaten off an attack by KDP using heavy machine guns and Katyushas". Did he expect another attack? "Not for now," he said. "The KDP does not have enough troops and has to move them to wherever there is trouble. They are over-extended."

Jamal Mohammed said he intended to attack when his men had regrouped and this has now happened. The KDP did not have enough men to hold on to their territorial gains. They may also have been intimidated by Iran's long-range artillery. The KDP leaders, buoyed up by their sudden victory last month, may not have realised the support in Sulaymaniyah city for the PUK. They may have underestimated the anger and fear felt by ordinary Kurds because of the KDP's brief alliance with Saddam.

obituaries / gazette

Masaki Kobayashi

For serious devotees of international cinema of high artistic quality, Paris is the centre of the world. At the moment, both Akira Kurosawa and Kenji Mizoguchi are having big retrospectives that are still drawing crowds long after they began before the summer. There are regular showings of all other important Japanese cinéastes and even some younger and less well known talents. But there has been one absentee, Masaki Kobayashi.

The reasons for this shameful neglect are not hard to find. Kobayashi in his greatest periods in the Forties and Fifties, seen as the Golden Age of Japanese cinematic art, was a perfectionist who made no compromises. He chose difficult themes that the post-war public, eager to forget the horrors of invasion and occupation, found too disturbing. He was a man with a message of pacifist humanitarian convictions, and today's Japanese, especially the young, avoid like the plague what has come to be known as "the three Ds" - Dirty, Dangerous and Difficult. Kobayashi's extremely personal idiom, his anti-violence ethos, his deliberately paced, often very long films, are at the opposite pole to the special effects catastrophes in defusing Dolby Stereo that are today's impossible film fare.

Kobayashi was born in the charming old port city of Otaru in the northernmost island of the archipelago. He studied ancient Oriental arts and philosophy and after graduation in 1941 entered the Shochiku studios at Ofuna as an apprentice director. But almost at once he was enlisted in the army and sent to Manchuria with the forces of occupation in Harbin. He had already demonstrated insubordination and opposition to the war by refusing promotion to a higher rank. He was captured and spent the last part of the war in a PoW camp on Okinawa, then not part of Japan.

With his release in 1946, he was allowed to start work again at Shochiku, as assistant to a very great old director, Keisuke Kinoshita, a severe and rigorous master. He started individual directing in 1952 with *Musuko no seishun* ("My Son's Youth") and in 1953 he both made another social melodrama in typical Shochiku style, *Mogokoro* ("Sincere Hearts") and directed his first personal film, *Kaze atsu heya* ("Thick-walled Room"), with a scenario adapted by the novelist Kobo Abe from the secret notebooks of authentic war criminals, the sort of theme that Kobayashi was to return to often.

However, the distribution of this landmark film was held up for four years by Shochiku bureaucrats who were afraid of offending the American occupation authorities under MacArthur. It did not appear until 1957. The event was characteristic of many of the artistic frustrations the director was to encounter in later life.

He tried his hand, oft very successfully, at psychological melodramas in the highly emotional *Kono hirai sora no doro ka ni* ("Somewhere beneath the Vast Heavens") in 1954, and *Urawashiki saigetsu* ("Days of Splendour") in 1955. He was more at home with two films of social criticism marked by refreshing realism and a humanist ideology similar to that of Kurosawa's: *Anata kaimaku* ("I'll Buy You") in 1956, and *Koto kawa* ("Black River") in 1957. This starred one of Kurosawa's favourite actors, Tatsuya Nakadai, soon to become Kobayashi's.

These more thoughtful, slow and elegant creations led to the gigantic trilogy *Ningen no joken* ("The Human Condition"), which was three years in the making, from 1959 to 1961. The first section was awarded the San Giorgio prize at the Venice Film Festival in 1960. At nearly 10 hours running time, this monumental work is the longest fiction film ever made. Kobayashi portrays himself in the idealistic Kaji (played by Nakada), who embraces pacifist-humanist concepts derived as much from Kobayashi's own wartime trials as from the original novel by Junpei Gomikawa.

It was followed in 1964 by a film based on a quartet of Lafcadio Hearn's mellifluous atmospheric weird tales from his book *Kwaidan*, which Kobayashi, using colour for the first time, turned into a ravishingly beautiful spectacle whose sumptuous settings and costumes were treated in an almost detached, abstract way that put many people off, despite the guiding sounds of Takemitsu's lovely score. It won the Special Jury Prize at Cannes in 1965. The detached tone of criticism of rigid samurai ethics returns in *Joi-uchi* ("Rebellion") in 1967, when it won the Prix Fipresci at Venice and starred Toshiro Mifune alongside Nakada.

In 1968, Kobayashi adapted one of the late Shusaku Endo's most tedious novels, *Nippon no seishun* ("The Youth of Japan"), on the conflict of generations during the Vietnam War, and predictably if turned out to be a dull movie. Perhaps the director was already feeling depressed by the changes occurring in the Japanese film world. The economic boom started a rapid decline in cultural values, and there seemed to be no place any more for classic cinema. So Kurosawa, Kinoshita, Ichikawa and Kobayashi started their own production company, Youki no iai ("The Four Horsemen Club"), which allowed them to make decent but quite unremarkable films, hardly viable commercially in the new climate over-

run by New Wave directors trying hard to catch up with the French, and making films that appealed to young people.

Kobayashi detested television, but was reduced to making a series in 1970, stipulating that he could use material from the rushes to make his own film, *Kaseki* ("Fossils"). He refused even to look at the television version. He also made a cheap love story in Iran, where he had been hoping to film Yeshushi Inoue's novel *Tzu Huang* - one of Kobayashi's grand projects which were never allowed to come to fruition. That Japan-



The revelation of historical facts: a still from Kobayashi's *Hara Kiri* (1963), starring Tatsuya Nakadai (left)

Photograph: Kobal Collection

Iran venture, *Mojimi Aki* ("Blooming Autumn") was a flop in 1978.

This great director's humiliation was complete. But he struggled on, and in 1983 he managed to make a long and impressive documentary on the Tokyo War Crimes trials, *Toku Saiban*. I remember sitting through this masterpiece in a cinema stunned into awe-struck silence by this revelation of historical facts the viewers had tried to forget. It was followed in 1985 by what was virtually Kobayashi's last work, the disappointing *Shakotaku no nai i* ("The Empty Table").

More than any other contemporary Japanese filmmaker, Kobayashi's art was underpinned by the trauma of his wartime experiences. With the 50th anniversary of surrender in 1995, there were a number of documentaries about it and the events leading up to it, chief among them an adaptation of Shohé Ooka's *Reise Senki* ("Account of the War on Leyte"), written between 1967 and 1969. I was expecting Kobayashi to be represented. But, as so often happened, he was overlooked. There were some homages to him in Europe at the end of the Eighties, retrospectives at the

La Rochelle Film Festival in 1989, and a more complete one in Paris in 1990. But in Britain, for purely commercial reasons, the last episode of *Awajun* was brutally cut. Humiliation and mutilation are the lifeblood of the artist. Masaki Kobayashi was one of the greatest, and suffered in silence. His death may have the effect of bringing some retrospectives. On the other hand, it may not, alas.

James Kirkup

Masaki Kobayashi, film director; born Otaru, Hokkaido 14 February 1916; died Tokyo 4 October 1996.



A business to run: Parker with the Queen on her visit to the Glenrothes Colliery, 1956

Births, Marriages & Deaths

MARRIAGES

KERR-DINEEN/DOOD: Mr Peter Kerr-Dineen and Dr Susan Dodd, quictly in London on 15 October.

DEATHS

SEDWICK: Passed away peacefully in his sleep on 12 October, aged 89. George, beloved wife of the late Fred Derry, loved mother of Anne. Funeral service will take place at St Paul's Methodist Church, Leeds, on Friday 18 October at 1pm, followed by committal at Lawnswood Crematorium, Leeds at 2pm. Flowers may be sent before 12 noon to Wm Dodgson and Sons Ltd, 120 Briggate, Leeds, telephone 0113 2498349.

SIMMERS: Patten (Paddy) Bridge. Most beloved husband of Marion and father of Patricia, Robert and Patten. He died on 12 October peacefully at home. Funeral at Guildford Crematorium on Friday 18 October at 1pm. The Phyllis Tickwell Memorial Hospital at Farnham would much welcome donations.

Birthdays

The Duchess of York, 37; Lord Baden-Powell, Vice-President of the Scout Association, 68; Sir George Bell, former chairman Booker McConnell, 83; Mr Richard Carpenter, singer, 50; Sir Howard Cobin, architectural historian, 77; Professor John K. Galbraith, economist, 88; Sir Julian Hodge, merchant banker, 92; Ms Tino Jackson, rock singer, 43; Mr Alan Jones, chief executive, BBC, 57; Miss Catherine Lampert, director, Whitechapel Art Gallery, 51; Dame Anne Mueller, former senior civil servant, 66; Baroness Perry of Southwark, President, Lucy Cavendish College, Cambridge, 65; Mr Peter Phillips, founder and musical director, The Tallis Scholars, 43; Mario Puzzo, novelist, 76; Professor Charles Rees, organic chemist, 69; Mr George Saw, author and surgeon, 92; Professor Arthur Schlesinger, author and former presidential aide, 79; Baroness Scott, former Ombudsman, 77; Mr David Gimble, MP, 52; Sir John Vane, former High Court judge, 73; Sir Christopher Walford, former Lord Mayor of London, 61.

Anniversaries

Births: Virgil (Publius Vergilius Maro), Roman poet, 70 BC; Akbar the Great, Mogul Emperor, 1542; Mikhail Yuryevich Lermontov, poet and novelist, 1814; James-Joseph Jacques Tissot, painter and illustrator, 1836; Friedrich Wilhelm Nietzsche, philosopher, 1844; Sir Pelham Grenville Wodehouse, novelist, 1881; Charles Percy Snow (Baron Snow), scientist, civil servant and novelist, 1905; Mervyn Le Roy, film director, 1905; Debasish Mata Hari (Margaretha Geertruida Zelle), executed for espionage 1917; Pierre Laval, 1921; 21st SDL, telephone 0171-232 0171-293 2012) or faxed to 0171-232 2010, and are charged at £5.50 a line (VAT extra). OTHER Gazette announcements (notices, functions, forthcoming marriages, Marriages) must be submitted in writing (faxed) and are charged at £10 a line, VAT extra.

Vicks

Vicky Government leader, executed, 1945; Hermann Goering, Nazi leader, committed suicide, 1946; Clara Kimball Young, actress, 1960; Cole Albert Porter, composer and lyricist, 1964. On this day the new calendar, as promulgated by Pope Gregory XIII, came into force in Italy and Spain, when 5 October became 15 October, 1582; the Great Exhibition in Hyde Park was closed, 1851; Cologne Cathedral was solemnly opened, 1880; the Comedy Theatre, London, opened, 1881; the first British Motor Show was held, at Earls Court, 1895; in World War I, Bulgaria joined the Central Powers, 1915; the airship *Graf Zeppelin* completed its first transatlantic flight, 1928; the Paris Peace Conference ended, 1946. Today is the Feast Day of St Euthymius the Younger, St Leonard of Vandoeuvre, St Teresa of Avila and St Theda of Kitzingen.

McGahay

McGahay spoke kindly and generously about Parker. "Ronnie was an accountant. We in the National Union of Mineworkers might have preferred an old coal company reactionary, like Libby Milligan, of the Fife Coal Company. But Parker, we soon felt, did believe in public ownership and was very sociable, coming to all functions such as those for disabled and retired miners."

In 1954, when Parker became Chairman of the Scottish Coal Board, there were over 104,000 miners in the coal industry in Scotland. In 1968, when he left to become Chairman of the Scottish Gas Board, there were under 50,000. And the trade union leaders with whom he had to negotiate were no push-over.

On the contrary, his first sparing partner as President of the Scottish miners was Abe Moffat. Later, as President of the Scottish pensioners, Moffat was the only man I heard vanquish in argument to the point of silence the late Dick Crossman, when he was Secretary of State for the Social Services.

Abe Moffat's successor and brother, Alec Moffat, was according to Eric Clarke (MP for Midlothian), and himself a former Secretary of the Scottish miners) about the most ferociously able negotiator he had ever seen in action. The last President of the Scottish miners with whom Parker dealt was Michael McGahay, a living legend in his own lifetime, who took up the post on Alec Moffat's untimely death in 1968.

Parker's father was an "Accountant of Court" in Edinburgh, a man who plied to and fro between the Court of Session and Register House, one of those post-Dickensian functionaries not far removed from the pages of *Dombey & Son*, who gave legal Edinburgh its reputation for fastidious probity.

After a rigorous education at the Royal High School, whose Greek facades were earmarked for the devoted Scottish Assembly on Carlton Hill, Ronald Parker was apprenticed to Edinburgh chartered accountants and then sent by them to the London office of Thompson McLeintock. Here he received a huge stroke of luck.

One of the directors in a bout of irritation exploded, "Parker,

there's an impossibly difficult Canadian from Toronto pestering me for this, and that, and the other. I want him out of my hair. I'm sending you to be his assistant. Go and help me out and stop him yammering."

This pestilential Canadian went by the name of Willard Garfield Weston and was to become one of the most thrusting, successful retail entrepreneurs of the 20th century - Chairman of the Royal High School, whose Greek facades were earmarked for the devoted Scottish Assembly on Carlton Hill, Ronald Parker was apprenticed to Edinburgh chartered accountants and then sent by them to the London office of Thompson McLeintock. Here he received a huge stroke of luck.

McGahay himself famous as a raconteur, paid tribute to Parker's own sense of humour.

"Ronnie, we assume that we have a first-class advocate to keep Bow Hill [the huge, but geologically-flawed Fife Colliery investment] open?" "Yes,

Michael, an advocate at a suitably high price."

Knowing when to bantam and when to indulge in straightforwardness was one of Parker's strengths. Dealing with the NUM in their heyday was both an art and a discipline in itself. Parker never lost sight of the fact that he had a business to run, and no one thought that he gave in against his better judgement to any of the blandishments or public oratory of the NUM.

Principals

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How will Blair deliver his decent society?

The Labour leader Tony Blair made a significant speech yesterday, one that map-makers of late 20th-century Britain ought to mark. It is not just a paragraph in the tale of Labour's bid to return to power; it is also a further turn in his personal evolution. It is remarkable that he goes on revising even the nostrums of new Labour, yesterday making "new" Labour sound a lot like the "old" conservatism.

In planting Labour's flag on some strange shores this was a brilliant example of taking the fire to the enemy's camp. Its timing and nuances made of Mr Blair an adept student of Labour's last great - and greatly flawed - master tactician, Harold Wilson.

The speech was directed squarely at its target. Before he made it we could read the contents on the front page of the *Daily Mail*. The words in that editorial space are like a DHL delivery straight to the heart of conservative England - the kind of people who probably do not care much that the Labour leader was educated at Fettes but do, like Pavlov's dogs, start slavering when the bell is rung for decency, family values, streets safe for children to play in, duty and responsibility. Boy, did Mr Blair ring those bells yesterday. But did he also have to apostrophise Sir David English, former editor of the arch-*Tory Mail*, as "extremely distin-

guished"? Such obeisance before a newspaper which has since 1924 made the extermination of the Labour Party one of its *raison d'être* is an act of historical chutzpah, to say the least. It is also dishonest. The kind of society envisioned by Tony Blair - a "decent" society - would not have house room for the values espoused daily by the *Mail*, its proprietor or its stakeholders.

That payment of Danegeld aside, the speech represented Tony Blair's personal resolution of a new problem for modern political leaders. The problem is how to address the "moral" agenda - the realm of ought and should - without appearing to be a hypocrite. Since Gladstone denounced the Turk in the era of high liberalism British voters have entertained a healthy scepticism for politicians claiming God, Right or (in Mrs Thatcher's case) the Spirit of History was on their side. Tony Blair has tried to avoid the holier-than-thou problem by steering clear of sex. What people do in their bedrooms has nothing to do with morality as he wants to define it. His concern is the rules of right conduct outside the home, in society. This sounds like commendable, Millite liberalism. Politicians should talk about the public space. The trouble is, his own distinction breaks down over the relationship of parents and children. Is it a public matter, and

what right does he have to announce the secret of good parenting? He runs the risk of hypocrisy, and not just if Euan, Nicky and Kathryn start behaving badly (which in Mr Blair's terms would be no one but their parents' fault).

In essence this speech was about new Labour's bid to have capitalism and all its works without its "cultural contradictions". Like most other efforts of the sort, which nowadays come thick and fast from the right as much as the centre left, it strives to produce rules for social life when economic life appears less rule-bound

than ever. The question is whether governments can impose these rules. But what if the rules have to be reinvented? Does government really know how to make us behave like better civic people? As a blueprint for legislation, this kind of specifying is, as the Americans say, flaky. Mr Blair would like parents to spend more time with their children. Quite right. Does that mean he is in favour of maximum 48-hour weeks, or new laws to force employers to recognise the domestic circumstances of their staff? "Employers need to think..." he says. But do they need to be coerced?

And which parent is going to do the good domestic work? Mr Blair cites the sociologist-cum-moralist Chellie Halsey; he should read him more closely and see that Professor Halsey sees the salvation of the family in either some reduction in the role of women at work, or reduced family income as one or both parents spend more time at home.

As for Mr Blair's repeated mention of a new "civic society", his back-room boys and girls need to do more homework. For many, the civic society is the voluntary group concerned about preserving the half-timbering in the old village. Presumably Labour's focus groups had difficulties with the older formulation "civil society". Either way, it is unclear whether what he means is a society in which there is more or less government and politics. No mention, for example, of local councils, where Labour is so strong at the moment.

But it is easy to carp at politicians when they venture into the grander reaches of social morality and civic propriety. For all the lack of solutions, Tony Blair seems - not for the first time - to be striving to articulate common concerns, deeply felt at all levels of society. His theme is a social populism based on the politics of St Matthew's gospel. But good conduct we can leave to philosophers and priests. What we expect from politi-

cians is some thoughts about how to create the conditions for their brand of goodness. John Major has marked out his own ground, equating lower taxation and the morality of self-help. Tony Blair may lament the lack of decency in that programme. He has yet to tell us, however, how he would use the power of premiership to encourage the kind of decency that he, in all sincerity, represents.

The bosses who just can't manage

Managers are overworked. Managers are overstressed. Managers are overpaid. Managers are over the hill. Managers are miserable because of all the people they have to downsize. And now, we learn, managers are overloaded with information. From all the stories and surveys we read, it looks like it's a terrible time to be a manager. They are inundated from all directions with spreadsheets and graphs and memos and newsletters - aren't we all?

Well, knowledge is a wonderful thing. But the only thing that matters is having the time and good sense to know what to do with it. Like, manage yourself.



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LETTERS TO THE EDITOR

'Handbag vote' can swing Trust motions

Sir: I was extremely interested to read the letter from Lesley Webb (7 October) on the motion coming to the AGM of the National Trust requesting more details on how many mandated and unmandated votes are cast in order to arrive at decisions.

In 1990 I was the proposer of a successful resolution to ban the hunting of deer with hounds on National Trust property. However, it appeared that the margin of success was relatively small - by approximately 4,000 votes. But shortly after the AGM *The Sunday Times* published an article indicating that of the total 130,000 votes cast, the then chairman, Dame Jennifer Jenkins, had used approximately 50,000 discretionary proxy votes in an attempt to defeat the motion.

Senior officials of the Trust confirmed that without the chairman's "handbag vote", members had voted in a ratio of 3:1 for the anti-deer-hunting resolution. The article also indicated that the chairman had refused to discuss the number of votes involved even with the 49 members of the Trust's council.

Lord Oliver said in his report into the constitution of the Trust that a member's knowledge of how votes have been cast "cannot serve any useful statistical purpose that I can envisage". But those of us who succeeded in this resolution found the statistic both revealing and useful, as, I am sure, did those who lost a similar resolution to ban fox-hunting when they learned that, without the chairman's "handbag vote", members had voted 4:1 in favour of the motion.

It was the Earl of Anturin, when he became chairman of the Trust in 1965, who described it as a self-perpetuating oligarchy. Yet Lord Oliver stated that an examination of election results "over the past few years does not reveal any reluctance to introduce new blood".

I feel Lord Oliver must have been looking at different statistics from those I examined, which indicate that from the years 1990-1995 inclusively, 41 out of 43 retiring council members seeking re-election were re-appointed.

DOREEN CRONIN
West Quantoxhead, Somerset

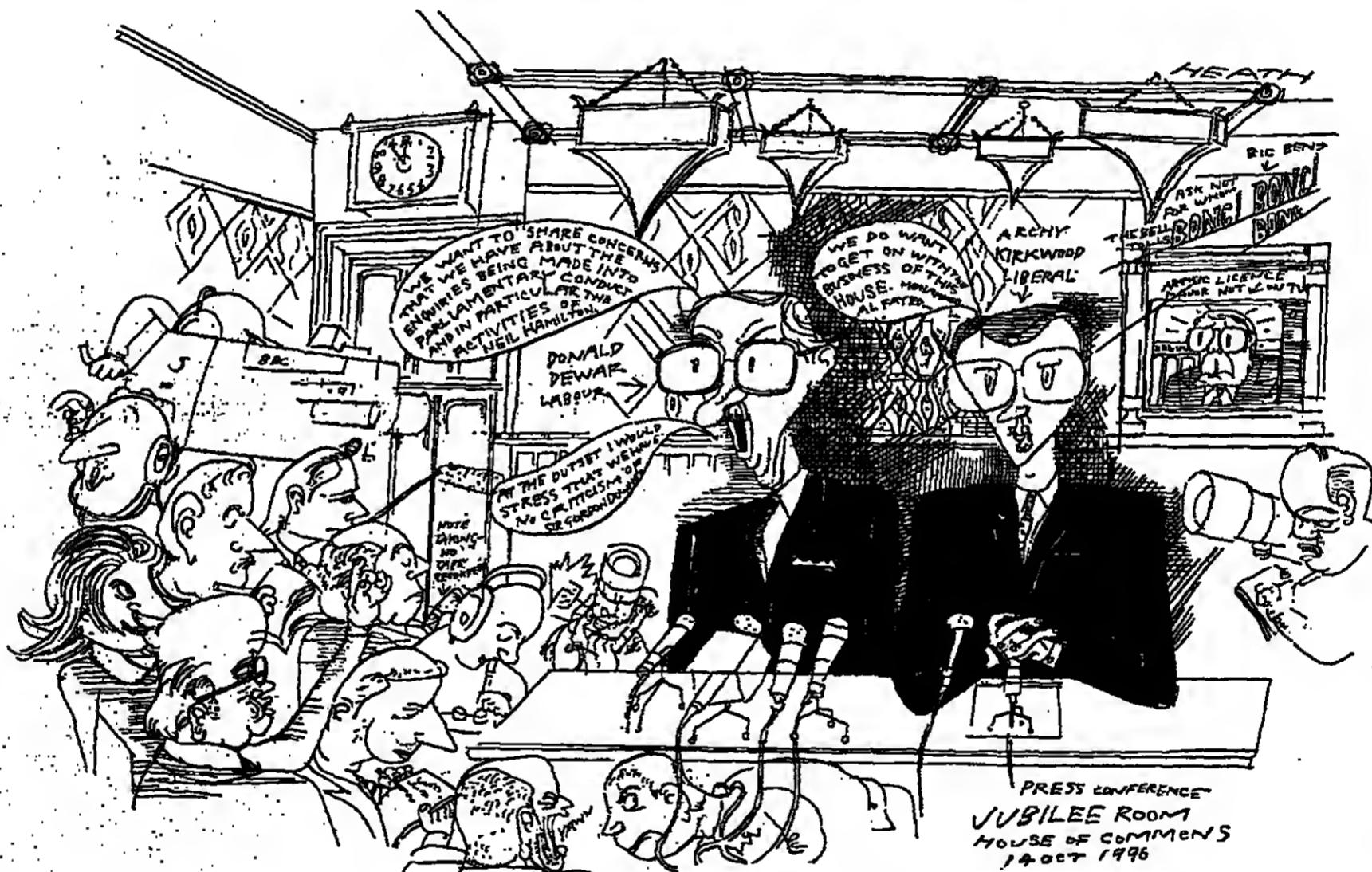
Let nationalised industry borrow

Sir: You report (14 October) that privatisation of air traffic control has been put back on the agenda by the Government "as part of the Treasury's attempts to raise finance to pay for tax cuts".

At least that is clear enough - previously the reason given has been the difficulty in finding the money to pay for necessary investment. Nevertheless it is time to challenge the restrictive application of treasury rules whereby borrowing on the open market by the nationalised industries is disallowed.

Other countries do not necessarily take the same narrow view. New Zealand taxpayers and the users of air traffic services in that region, have benefited considerably from the fact that their government is not similarly inhibited about the concept of market borrowing by publicly owned corporations.

Perhaps this country should



Michael Heath's Britain: Talking of sleaze

consider the same refreshing approach. The privatisation of a key national asset is not the only available alternative when a government is reluctant to provide essential finance.

PETER WILKINS
Brighton

Disabled still lack equality

Sir: In a useful point about not patronising disabled people, Virginia Ironside ("Dilemmas", 10 October) paints a picture of near-equality of access and opportunity and of resolved difficulties for disabled people. This could not be further from the truth.

Scope's own survey *Disabled in Britain: A World Apart* (1994) shows that disabled people would like to enjoy things that the rest of the population do, if only the proper provision was available.

Disabled people do not have freedom of access. Contrary to her view, ramps are not available on request, and it may surprise your readers, neither are wheelchairs. Public toilet facilities are still very difficult to find, while obtaining funding for private adapted facilities, an everyday need, is often a long and difficult process.

Our survey shows that more than two-thirds of disabled 18 to 24-year-olds have been called names and a majority felt excluded from work and social activities. Clearly most of Ms Ironside's opening paragraph is dangerously misleading.

RICHARD BREWSTER
Chief Executive, Scope (formerly The Spastics Society), London W1

Customs work well with NCIS

Sir: The Head of Customs and Excise National Investigation Service (NIS) and I were concerned to read Ian Burrell's article ("Leak reveals contempt for British 'FBI'", 11 October).

Customs officers have not threatened to mutiny when asked to work alongside the unit

(NCIS). In fact over 40 of our staff are assigned permanently to NCIS offices where they share and develop intelligence with colleagues drawn from the police service and from other agencies.

Customs is committed to a multi-agency approach in dealing with serious crime and will continue to support the NCIS in meeting the responsibilities which ministers have assigned to it.

R.H. BROWNE
Deputy Chief Investigation Officer, HM Customs and Excise NIS, London EC3

Sir: Your headline is misleading and relates to a pilot survey of the extent of organised crime undertaken by the National Criminal Intelligence Service (NCIS) last year.

Durham University was involved in the survey, which was agreed with the Association of Chief Police Officers (ACPO) and HM Customs and Excise. The report by the university contained several anecdotal quotes from some police and customs officers who were not willing contributors to the survey.

They questioned its usefulness and relevance, not the performance of NCIS. This is why your report is so misleading.

The facts about NCIS are that 44 customs officers work for us alongside police and civilian staff. Posts we advertise attract large numbers of applicants. We receive outstanding support from the police service in general and the Regional Crime Squads in particular. Our work last year was responsible for the arrest of 1,578 criminals of major significance, seizures of drugs worth £294m and the recovery of property worth £18m. Our paedophile intelligence has contributed to the arrest of more than 100 people.

Anyone who holds that record in contempt is plainly out of touch.

A.H. PAGEY
Director General, NCIS, London SE11

Choir is booked

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Latin is dead, long live English

Sir: Latin does not have the "practical use in the modern world" suggested by Trevor Cox (Letters, 10 October) as a new language for the European Union. The EU realises that the world includes more than the north-west corner of Europe and that to do business with the 1 billion-plus people in India and the countless Chinese we need a modern, fluid and widely spoken language.

That language is English, the most widely spoken second language in the whole world. The British are famously bad at learning foreign languages but they do not care any more. The Internet is predominantly in English. Satellite TV is dominated by Rupert Murdoch, with most content in English. Dutch children learn to speak English as toddlers while watching subtitled American cartoons.

The movement towards English is inevitable. Whether it is a good thing only time will tell but one thing is certain: Latin is dead and should only be considered for personal entertainment.

TERRY ROBINSON
London SE11

Sir: Trevor Cox (Letters, 10 May)

suggests that Latin may serve as a common language for Europe and Dr Peter Jones claims it helps children with grammar and romance languages. Esperanto is much more useful.

Because of the logic and simplicity of its structure, Esperanto is easier to learn than most natural languages - in particular Latin, which is rather difficult - and it helps children with grammar and also to learn other languages. This is not speculation: it has been tested by experiment.

DR MIGUEL NAVARRO,
London W6

French canal hard to beat

Sir: Christian Wolmar (report, 11 October) says of the proposed waterway linking the North Sea with the Irish Sea that "it might seem like the most ambitious scheme since Moses tried to part the Red Sea".

What about the Canal du Midi, engineered by Pierre-Paul Riquet between 1666 and 1681, linking the Atlantic with the Mediterranean? It is still in use, albeit only by very small craft because it is so narrow.

ELIZABETH MONKHOUSE
London NW1

Selective choice

Sir: Having read the article about the ANC and the vote on abortion in the South African parliament ("ANC to whip on abortion changes", 11 October) a question comes to mind: if the ANC is all in favour of choice on abortion, why can it not allow a free vote for its MPs?

GORDON BUCHAN
Chairman, Aberdeen Branch, Society for the Protection of Unborn Children, Aberdeen

Why aid agencies fear business

Sir: It's no good David Bryer of Oxfam (Letters, 12 October) attacking William Shawcross's piece ("Never mind Oxfam, DHL can deliver", 10 October) as if Shawcross were proposing that companies take over all aid.

Shawcross simply pointed out that business is already taking a growing proportion of aid resources in disasters, as it has long done in development aid.

Aid's key question is whether business ends and non-profit institutions, from government to charities, begin. This must be based on efficiency, added value and comparative advantage, to ensure the best use of aid.

Bryer's pained protest indicates the massive crisis of confidence within agencies, as governments slash billions from global welfare budgets and "privise" what remains. When companies take over the routine logistics, management and communications of disasters, the agencies must be ready to do well what they do best: ethically based decisions on protection and provision, advocacy and human rights.

At the London launch of this year's *World Disasters Report*, a soldier turned businessman making money out of (relieving) misery at the sharp end of Bosnia told hostile aid agencies: "If we do poor work, by all means mistrust us, but if we do good work, that's the time to fear us."

Aid agencies have found fear, but protesting about the end of aid rather than planning their smaller, sharper role does a disservice to the public which supports them, the staff who may soon face the sack and, of greatest importance, the hungry, sick and dispossessed in the South.

NICK CATER
WorldAid 96, Langport, Somerset

Sir: From 20 years' close involvement with aid charities I have long believed that a double caricature prevails between the private sector and the charity world. The former are apt to ascribe little, unreal attitudes to the latter, in return for the tendency in the charity sector to take much of the business world at its word when it asserts that it is and should be bereft of altruism. Both, of course, operate by wonderfully mixed motives.

Having said that, Mr Shawcross does not sufficiently distinguish between delivery of physical aid, especially in emergencies (where most of the leading charities in fact use the private sector), and "in country" development. Helping poor people to stand on their own feet long-term requires an acceptance of that help. Such acceptance will not be given to "business" organisations where "business" is perceived by those in need to be part of their problem. Unfortunately, that is the reality in many parts of the world.

ANDREW PHILLIPS
London EC1

Pause for vitality

Sir: Would not a more balanced picture have been given ("Can HRT stop the clock at menopause?", 7 October) if your sample one pro-HRT interviewee had been balanced by a similarly bouncing-with-vitality woman, who has got through it all without resort to HRT? I feel certain there are some out here somewhere.

SARAH NEWBERRY
Abbess Roding, Essex

essay

When a far-right political party in central Europe wins 27.6 per cent of the vote in a free and fair nationwide election, it should be clear that the time for complacency has gone, and gone for good. The result achieved by Jörg Haider's Freedom Party in Austria's elections last Sunday for the European Parliament was not so far below the 33.2 per cent scored in November 1992 by Adolf Hitler's Nazis, and that result rapidly led to Hitler's appointment as Chancellor of Germany.

Austria is obviously not facing a threat of the totalitarian kind that was looming in the Weimar Republic in late 1932, but Europeans of all democratic political persuasions would do well not to dismiss Mr Haider's performance as irrelevant. For strident nationalism and right-wing extremism have been making inroads, admittedly much smaller than in Austria, in a number of European Union countries in recent years.

In France, Jean-Marie Le Pen of the National Front took 15 per cent of the popular vote in the first round of last year's presidential election. His party still does not have a seat in the National Assembly, but his candidates have performed strongly enough in recent by-elections to force his democratic opponents of right and left to form a common electoral front to deny him victory.

There have been similar encouraging signs for anti-establishment, anti-immigrant, nationalist parties such as Gianfranco Fini's National Alliance in Italy and the Vlaams Blok in Belgium. Some British Conservatives, while not considering themselves to be in any sense on the extreme right, nevertheless believe the best chance of winning the next election lies in playing the nationalist, anti-European and anti-immigrant cards.

Mr Haider spotted the vote-winning potential of these issues long ago. His opposition to Austria's entry into the EU in January 1995 has blended neatly with his anti-immigrant rhetoric to produce a demagogic message so powerful that it is believed the Freedom Party took 50 per cent of the blue-collar Austrian vote last Sunday.

It should quickly be said that in terms of political ideas and style, Hitler and Mr Haider are leagues apart. For his part, the Freedom Party leader rejects all comparisons with Hitler as malicious nonsense, although he cannot deny that he had to resign as chief minister of the province of Carinthia in 1991 after he

Austria has been accused of failing to confront its Nazi past, but can this really explain why Jörg Haider's Freedom Party did so well in Sunday's elections? Tony Barber surveys the fortunes of Europe's far-right parties

year unchallenged grip on power in the Austrian capital, where his party took 28 per cent of the vote in regional elections.

It is sometimes said that the far right would not achieve such success over the past 10 years if Austria had made a better job in the post-war years of confronting its Nazi past. Certainly, for most of the post-1945 era, Austrians found it all too convenient to cling to the Allied powers' wartime statement that Austria had become the "first victim" of Nazi aggression when Hitler incorporated it into the Third Reich in 1938.

Unlike Germans, who underwent a tremendous soul-searching about the Nazi period from the late Fifties onwards, Austrians for the most part shied away from painful national self-analysis until quite

Austria's war record is so fully out in the open these days that even Mr Haider takes care to distinguish his politics from those of the Nazis. "There is not a single parliamentary deputy of the Freedom Party who would identify with the barbarities of the Nazi period ... We clearly distance ourselves from every system which, like that of the National Socialists, disregards human rights," he said in a parliamentary debate last January.

The Austrian far right's strength probably has less to do with history than with present-day conditions, in particular, the dramatic changes forced on Austria by the end of the Cold War and the country's admission to the EU. During the Cold War, international neutrality and internal political calm were essential conditions for Austria to rebuild itself as a prosperous, placid democracy.

But the eastern European revolutions of 1989 and the Soviet Union's collapse in 1991 dispensed with the need for consensus politics in Austria and opened the door for the country to apply for EU membership. These factors quickly injected new and sharp controversies into Austrian politics.

The Social Democrat-People's Party coalition government fell apart last year over budget cuts needed to help Austria qualify for European monetary union in 1999. At the same time, resentment of industrial, financial and agricultural competition in the European single market began to intensify, as did fear of unemployment among traditionally socialist working-class voters.

While the two main parties squabbled and public discontent simmered, Mr Haider was happy to sit back and watch his share of the national vote go up. In last December's general elections, it touched 22 per cent.

Another vital factor in his appeal was his clear-cut anti-immigrant message. Austria lies on the western edge of the former Communist world but, with the exception of extreme crises such as the 1956 Hungarian uprising and the 1968 Soviet invasion of Czechoslovakia, rarely experienced large waves of immigration from the east in Communism times.

That helped to preserve Austrians' self-image as a Western nation, a cut above the peoples to the east. All that has changed since 1989, however, with travellers and illegal immigrants from eastern Europe a far more common sight in Austria than in the past.

To drive the point home to Austrians, it will not be long before their eastern neighbours join the EU. To Haider voters, it must seem that the world is turning upside down, that Austria is about to drown in a sea of cheap labour, unrestricted travel and criminal activity from the poorer, "less civilised" parts of Europe.

Mr Haider's success stems from weaving together the economic fears and nationalist prejudices of lower-middle class and industrial working-class Austrians, and then blaming the EU for everything. He rails against the Maastricht treaty in a way that Teresa Gorman, the anti-European Tory MP for Billericay, would find easy to understand.

It is tempting to interpret the rise of Mr Haider's Freedom Party as evidence that Maastricht, the single European currency and the drive for greater European integration are going to provoke a right-wing nationalist backlash across much of Europe. Practically every EU government is cutting spending and social benefits and raising taxes in order to meet the Maastricht criteria for monetary union, and this at a time when 18 million people are unemployed in the 15 member-states.

It would seem at first sight that only right-wing forces are likely to benefit from the growing strains in European societies caused by this attempt at rapid integration. Communism is finished as a credible ideology, immigration is perceived as a major social problem in many EU countries, and mainstream political parties of left and right have been discredited by a stream of corruption

scandals and their apparent ineffectiveness in government.

Yet when painting a broad-brush picture of Europe, it is vital to keep national distinctions in mind. In Germany, for example, the centre-right government's austerity measures have certainly led to protest, but these have come from the opposition Social Democrats and the trade unions rather than from the barely noticeable far right.

Moreover, when the Social Democrats tried to win three Land elections last March on a platform of delaying monetary union, they suffered convincing defeats. In the country that lies at the heart of the European project, there is little sign that either the far right or the mainstream opposition will pick up public support by proclaiming extremist, anti-European slogans.

recent years has come from former Communist voters, who represent a declining electoral constituency.

There are several prominent anti-single currency campaigners in the Gaullist camp, notably Philippe Séguin, the speaker of the National Assembly. So far, however, Mr Séguin and his allies have little to show for their efforts to connect public opposition to the government's austerity policies with their own anti-European agendas.

In Italy, the most radical political force on the scene at the moment is the Northern League, whose green-shirted activists may appear in some ways to share common ideological ground with the people who work for Mr Haider. Yet the Northern League is neither anti-European nor anti-Maastricht as such; it is anti-southern Italy.

Do they remember?

In France, it seems unlikely that Mr Le Pen will turn out to be the main beneficiary of anti-European social protest. The two-round French voting system has recently shown its effectiveness as a means of keeping Mr Le Pen at bay, by enabling Gaullists, moderate rightists, centrists, socialists and Communists to form a "republican front" in the second round and defeat his candidates.

Last year's presidential election indicated that Mr Le Pen's anti-immigrant message attracted considerable support in some parts of France, notably Alsace and several big cities in the south such as Toulon. Yet the National Front has never shown the kind of nationwide strength that the Austrian Freedom Party is demonstrating, and much of the party's new support in

What the Northern League's leader, Umberto Bossi, says he wants is the secession of prosperous northern Italy and the inclusion of this region in the "hard core" of Europe, the area in which France, Germany and the Benelux countries are planning to adopt the euro in 1999. Mr Bossi regards southern Italy as a drag on the north's ambitions; but whatever his recklessness in calling for Italy's break-up, he can hardly be accused of trying to whip up anti-European hysteria.

In Denmark and Sweden, opposition to closer EU integration has certainly been stoked by a strong sense of nationhood and suspicions that the EU does too little to foster employment. Yet there is no real connection here with far-right political activity. Indeed, when Sweden held its own European Parliament elections last year, the substantial anti-EU vote was picked up not by parties of the right but by the Greens and by the Left Party, which is made up of former Communists.

The case for a resurgent far right across Europe is therefore far from proven. There are certainly some features on the European landscape, such as high unemployment, social dislocation and an uncertain international political and security climate, that recall the Europe of the Twenties and early Thirties in which Fascism and Nazism were born.

Yet history never repeats itself exactly. Today's far right is not a replica of the far right of that period. It operates within a context of general European prosperity and intellectual acceptance of the virtues of freedom and tolerance that limit its popular appeal.

Moreover, by the very fact that it has already happened, history serves, or should serve, as a kind of alarm system. This was demonstrated by the negative reaction of most informed Europeans to Sunday's election results in Austria. We shall have to see whether the results have scared Austrians enough to produce a backlash against Mr Haider when they next go to the polls.

For the moment, however, we should recognise that the emergence of the Austrian far right reflects conditions that are largely specific to Austria. We outsiders are free to pass comment on Mr Haider, but it is up to the Austrians themselves to do something about him.



Haider celebrates his election victory

praised the Nazi employment policies of the Thirties.

Mr Haider enjoys the distinction of being Europe's most prominent and successful far-right politician, one whose party stands a real chance of gaining a share of national power after Austria's next general elections scheduled for 1999. Ten years after he took over the Freedom Party and wrenches it from the liberal centre to the extreme right, the party is running neck and neck with Austria's two main political parties, the Social Democrats of Chancellor Franz Vranitzky and the conservative People's Party.

Mr Haider has even upset the apple cart in Vienna, one of the world's great socialising strongholds of this century. Last weekend he shattered the Social Democrats' 51-

recently. It is easy to jump to the conclusion that this explains why post-war Germany has never produced a far-right movement of any significance, while Austrians found no difficulty in electing as their president one Kurt Waldheim, a former German army intelligence officer who covered up his war record in the Balkans.

Yet the rise of the Austrian far right under Mr Haider is not simply a matter of history being swept into the national unconscious after 1945 and now bursting out in a putrid flood. Mr Vranitzky, the Chancellor since 1986, did his fellow-countrymen a great service when he visited Israel in 1992 and acknowledged that Austrians had been active participants in Nazi horrors committed against the Jews.



Hitler's triumphal entrance into Linz, in 1938

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Here yesterday, gone today ... thankfully



Miles Kington

Where are they now? Yes, it's time once again to look at the names which once littered the headlines and are now lining people's drawers: the here-yesterday-and-gone-today brigade, the people who gave fame a bad name, the ex-celebs who now live in the David Mellor old home of bygones and cuttings ...

Well, I expect you get the point. So here we go again with another round-up of people you had quite forgotten about until we asked the question: where are they now?

Jeffrey Archer Jeffrey Archer has just had a wonderful idea for a book. This has never happened to him before, and he is not quite sure what to do about it, so he is lying down in a darkened room until the feeling goes away.

Robert Runcie and Humphrey Carpenter

The runaway ex-archbishop and his faithful confidant, the winsome fortyish Humphrey Carpenter, are still believed to be holed up somewhere in their literary love nest waiting for the furor to die down after Runcie's revelations that he may have helped to father Humphrey Carpenter's notorious book, *Lambeth Layabout*. On his last appearance in public, when he had just popped down to the local church for some wine and wafers, Runcie snapped at reporters: "Please leave us alone! We just want to be happy, living the life of subject and reporter. I quote, he misquotes, and we're very happy like that!"

Newt Gingrich

There was a time when the man called Newt Gingrich was said to be the most important politician in the United States, and his every

word was quoted as if it meant something. It gradually dawned on everyone, at least in Britain, that nobody had the faintest idea who he was, owing to the British inability to understand the American system. (Call a man "The Majority Speaker of the House of Representatives" or some such, and we all nod sagely but are too polite to ask what it means.)

As a consequence, we all withdrew our attention from Newt Gingrich. He may still be there for all we know — indeed, he may still be the most important politician in the US, especially as nobody else seems to be — but he has become invisible to us.

Jesse Jackson

The same as Newt Gingrich, but black. Salman Rushdie Salman Rushdie has been told that he may not go out in public except in disguise, so he has hit on a brilliant compromise — he has adopted a new profession which involves him always being in disguise! He is now an entertainer and conjuror called Marvo the Magnificent, who specialises in parties for 8- to 12-year-olds. Apparently he is very

good at the party entertainment trade, except when there are tricks involving loud bangs, when he tends to get under the table, or when older children argue back with him, when he tends to get quite stroppy and aggressive. He has not been on a bouncy castle again since the embarrassing time when both his moustache and beard fell off.

The editor of *The Sun*, Stuart Higgins

Since *The Sun* soiled itself a week ago by printing a totally false report of Princess Diana as its lead story, the disgraced Sun editor has gone into hiding on Rupert Murdoch's orders, and the paper has been edited in his absence by a Stuart Higgins lookalike. The resemblance is uncanny. This Stuart Higgins lookalike comes in every morning, orders us to print a load of old cobblers and half truths in the paper, then goes home. It's unconvincing. It's brilliant. It's taken everyone in. It could just as easily be the real man.

Damien Hirst

Damien Hirst, last year's famous young British artist, is

under close medical supervision in quarantine, under suspicion of having caught BSE from one of his own works.

OJ Simpson

OJ Simpson, the man who didn't kill his wife, is still claiming that he didn't kill his wife, but nobody is interested any more.

P.J. O'Rourke

P.J. O'Rourke, the famous American right-wing satirist, has not been spotted on *Loose Ends* or *Start the Week* publicising a new book for at least two months, and the authorities are beginning to worry that something has happened to him, and are asking the public to keep their eye open for him. On the other hand, it could just be a satirical statement. Or maybe he hasn't written a new book. Or maybe he has just gone out of fashion (see Gary Keillor, Bill Bryson, etc). Either way, the police are warning people to be on the lookout if they spot him, as a dangerous tongue and a well-cut-down-to size

Coming soon in "When They Were Young" — Lady Madonna, Ted Neeley, etc etc.

Stylized 150

Major wages classless warfare on Blair



Donald MacIntyre
The poor boy from Brixton might prefer peas to pesto. But he sent his children to private school and now he's Prime Minister

So class warfare is back. But this time it's a Conservative Prime Minister rather than international socialists who is waging it. It's honest John, the grammar school boy with six O-levels, against fashionable Tony Blair, an Oxford graduate and qualified barrister, hoping to be the first privately educated prime minister for 32 years. The battle of the boroughs Brixton versus Islington.

It isn't, of course, the first time that John Major has played the class card. In 1990, his clever adviser Andrew Lytle dreamt up the theme – originally coined in a speech of Margaret Thatcher's – of a "classless society" for Major to use in his campaign for the Tory leadership. It was devised largely to undermine the appeal of his rivals, Michael Heseltine and Douglas Hurd, both also public school and Oxbridge graduates. With Hurd, in particular, it was brilliantly successful, forcing him on to the defensive about his Eton education. Much later Hurd remarked, a little acidly, that he thought he had been running for leader of the Conservative Party, not of "some demented Marxist outfit".

Whether the voters will be as impressed as the Tory MPs were six years ago is another matter. Blair's people say there is no sign that his Fettes public school education even figures in the chatter of focus groups. If true, it may just be that electors don't much care, any more than they did when they gave a landslide victory to the public school-educated Clement Attlee. But it may also be that they may have spotted the contradictions in Major's pitch.

Let's head over backwards to be fair.

Unusually for a PM, Major has little taste for the swankiest bits of the job. He hasn't put on

impious airs and graces; and, yes, he genuinely enjoys occasional fry-ups. He's a man for peas, not pesto. The young fogies of the Tory right have shown a strong and disastrous streak of snobbery in some of their attacks on him. Racism isn't the same as class, and Major's embrace for black and Asian supporters in Bournemouth may have borrowed a lot from Jack Kemp. But it wasn't forced; indeed, it would have been nice to hear Tony Blair doing something similar in Blackpool.

But let's not get carried away. Major's family background, for a start, isn't quite as humble as the propaganda would have it. It's a quite true that the family had fallen on hard times, and that the move to Brixton from the outer London suburb of Worcester Park must have been hugely traumatic for the young son. (So was the stroke suffered by Tony Blair's father Leo.) But before John Major was born the family had been wealthy enough for his older siblings Pat and Terry to go to private school and to employ a full-time gardener. He rose rapidly through the ranks of the distinctly posh international bank Standard Chartered, largely through the patronage of its



chairman, Tony Barber, a former chancellor of the exchequer. And, thanks to Margaret Thatcher, he also quickly climbed the political ladder, to become foreign secretary and Chancellor within 11 years of becoming an MP.

He has a handsome five-bedroom house in Great Stankey, Huntingdonshire. He enthusiastically accepted membership of the posh wet Blue Chip club in the early-Eighties. His last holiday was spent at the Riviera villa of Lord Harris who, though scarcely an aristocrat, is certainly a plutocrat.

Like the majority of his Cabinet and Tory MPs, Major chose to send his children to private school. This is one reason why some Tories are so annoyed that he has attacked Tony Blair for having gone to one.

The man in charge of his leadership campaign last year was Lord Cranborne, appointed Leader of the Lords by Major and, as a Cecil, the most aristocratic Tory there is. And so on.

None of this, least of all the quibbles about his family background, expose anything remotely out of the way for a Tory politician. It seems positively Petty to go on about it. But he started it. And it helps to put Mr Ordinary in context.

But there is an even deeper problem. Some of Major's inclusive rhetoric is a welcome change from Margaret Thatcher – who thought resolutely throughout her time in Downing Street of "their people" and "our people".

But what has Major actually done to bring about the classless society to which he committed himself six years ago? Beyond, that, is tinkering with an honour system which anyway always awarded a few baubles to the humble. He believes in the abolition of inheritance tax – a measure which stands every chance of creating a new, fully fledged plutocracy who need never work if they choose not to.

The class consciousness with which the already famous passage on education in John Major's Bournemouth speech was shot through is peculiarly British. You can't really imagine a French, German or American politician making such an issue out of the personal education of a rival. Part of that, to be sure, is a separatist education system which Major sought to exploit against Blair, in Bournemouth but which in 17 years the Tories have done nothing to alleviate.

There's some high ground to be claimed here, sketched out in a recent book by the (Tory) MP George Walden, and involving the gradual integration of some of the best independent schools with the state sector. Yet Downing Street only got round to acknowledging the book after belatedly discovering that Tony Blair had read it and was taking a lively interest. It's a trivial point, but it illustrates a bigger one. It's not necessarily where you come from that determines your attitude to class. Classless is as classless does.

recently, merely "the itch after the amputation" of Britain's arm of influence?

The Treasury has always taken great deal of persuading that the nation gets value-for-money from its intelligence effort which, as Michael Herman puts it, still places us in the upper second division of intelligence powers. The Treasury sees intelligence-gathering like any other government operation as a "customer-contractor". Civil, Customs and Excise departments, these days, should be in their colleagues in the secret service what kind of information they need. The state's secret servants would then procure it, and the customer departments would pay.

John Major was quite keen on the idea when chief secretary to the Treasury. But, as Prime Minister, he appears, rightly, to have taken a broader view. Good intelligence is too much a seamless garment for this narrow approach to be sensible or practical.

Yet the Treasury is right to point out that the itch for intelligence, whatever the utility of its yield to those who would wish to maximise British influence or to approach the negotiating table well primed, does not come cheap at about £1bn a year. Though as Michael Herman points out, "intelligence is cheap compared with armed force or policing; governments can afford to buy a lot of it for the cost of a frigate, or for the police manpower deployed on anti-terror protection". The British government, he adds tellingly, "is said to be spending almost as much on private consultancy fees for the Civil Service as a whole as it spends on intelligence".

Intelligence is a crucial element in any forward calculations. Is it the most cost-effective way of buying such influence for a cash and kit strapped country? Or is it, as a member of Her Majesty's Secret Intelligence Service inquired

Better Mrs B than a bunch of luvvies

By David Lister



Unlike the Arts Council, a Ministry of Culture with real enabling powers would at least be publicly accountable

tance than a personal preference; the importance being economic – it does well abroad.

In the case of Mrs Bottomley, going native has a calculated political aim. With her audience last night softened up by her one-line espousal of cows pickled in formaldehyde, she began to move towards her real target, the "arm's-length principle". Elliptically, she noted that the scale of change since 1946 "has wrought a world that Keynes would hardly recognise".

Less elliptically, she went on:

"With the memory of the German, Italian and Russian regimes of the Thirties still fresh in everyone's mind, there was surely no alternative to an arm's-length principle in 1946. But is it still valid? Should we examine it again?"

And then, casting ellipsis to the wind, she announced she was setting up a forum comprising business and

women and civic leaders to advise her on a smooth basis.

Is this taking arts policymaking away from the "luvvies"? I certainly sounds like it. "I want to make the holder of my office a more powerful catalyst," she told me recently. Certainly, last night she was being catalytic in all directions – fitting broadsides at the Arts Council, and later announcing a lottery award for dance and drama students, though she does not technically give out lottery awards (that, too, is meant to be the Arts Council).

Perhaps this is a liberating piece of pre-election muscle-flexing by Mrs Bottomley. But if she is indeed signalling the end of half a century of government at arm's length in the arts, is it any longer such a heresy? The Government does not run the health or education services at arm's length. Why should there be such coyneyness over the arts? The answer

always offered is, give the minister his or her head and he or she will be decreeing what we can read, watch and listen to.

The spectre of Tory Heritage Secretaries censoring subversive arts is actually as remote as a Labour minister refusing to fund a Terence Rattigan season because it is too sexual.

As it happens, the only recent example of censorship was not by the government but by the Hayward Gallery – progressive institution that it is – in showing to Scotland Yard pictures from the Mapplethorpe catalogue before its Mapplethorpe retrospective, and bowing to advice on what it should and should not show. (I have to admit I do not recall that champion of the experimental and challenger of the consensus Virginia Bottomley challenging this decision.)

If it is the Arts Council, too, that has failed in recent years to resolve funding crises to

begin the real debate about the nation's cultural policy.

The secret service, open to question



Peter Hennessy
Do the intelligence services have a vital part to play in a changing world, or are they merely the 'itch after the amputation' of Britain's arm of global influence? It's time to review their role.

How good are Britain's intelligence services? What are they for? Do they achieve their purpose cost-effectively? These questions are so central that even the most secret parts of the state must not be immune from public questioning and debate.

Tomorrow sees the publication of what I believe to be the most thoughtful, detached and up-to-date primer on the subject ever produced by a recent member of the British intelligence community in Michael Herman's *Intelligence Power in Peace and War*. Its appearance coincides almost exactly with Mark Urban's *UK Eyes Alpha*, which, to the consternation of insiders, has placed in the public domain detail and argument from the recent secret areas of the state which is without precedent in its immediacy and sensitivity. One has been cleared by the Cabinet office, the other most certainly has not.

The past decade has seen the greatest advances towards accountability and openness since Sir Francis Walsingham turned intelligence into a serious part of statecraft in Elizabeth I's time.

It is high time, as the turn of the century approaches, to take a cool, hard look at just what we should and could be seeking by way of our national niche in the global influence business. This is especially so since there is a real possibility of a change of government next spring, that would produce an administration with almost no experience of intelligence activities.

Intelligence is a crucial element in any forward calculations. Is it the most cost-effective way of buying such influence for a cash and kit strapped country? Or is it, as a member of Her Majesty's Secret Intelligence Service inquired

recently, merely "the itch after the amputation" of Britain's arm of influence?

The Treasury has always taken great deal of persuading that the nation gets value-for-money from its intelligence effort which, as Michael Herman puts it, still places us in the upper second division of intelligence powers. The Treasury sees intelligence-gathering like any other government operation as a "customer-contractor". Civil, Customs and Excise departments, these days, should be in their colleagues in the secret service what kind of information they need. The state's secret servants would then procure it, and the customer departments would pay.

John Major was quite keen on the idea when chief secretary to the Treasury. But, as Prime Minister, he appears, rightly, to have taken a broader view. Good intelligence is too much a seamless garment for this narrow approach to be sensible or practical.

Yet the Treasury is right to point out that the itch for intelligence, whatever the utility of its yield to those who would wish to maximise British influence or to approach the negotiating table well primed, does not come cheap at about £1bn a year. Though as Michael Herman points out, "intelligence is cheap compared with armed force or policing; governments can afford to buy a lot of it for the cost of a frigate, or for the police manpower deployed on anti-terror protection". The British government, he adds tellingly, "is said to be spending almost as much on private consultancy fees for the Civil Service as a whole as it spends on intelligence".

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skim the book until it reaches the section on "Accuracy", with its chapter on intelligence failure and remedies. One hears all the time how Western intelligence as a whole failed to predict either the ending of the Cold War or the concatenation of events and personalities that triggered its termination.

Without wishing to explain away intelligence failures, I have to say that if I had been sitting around the table of the Joint Intelligence Committee (JIC) in the late Eighties I would not have shared my pension to the likelihood of the Red Army being confined to barracks when the satellites, especially East Germany, began to slip from the Soviet Union's ultimate control. Intelligence has to be both accurate and illusion-free. It is not a trade that attracts or wellcomes polyatics.

In a nasty world in which British interests, for both historical and current reasons, still girdle the globe, I remain convinced that British ministers, diplomats, civil servants and the military need to be as well primed as possible with timely information, often of a kind that cannot be procured by open means from orthodox sources. A new government would, I am sure, feel the same not least because of omnipresent terrorist threats. There is no indication that a Labour cabinet would finally wish to withdraw from an international posture that brings with it a seat at the UN Security Council and a range of influences out of proportion to our current wealth and firepower.

Real advantage remains with those nations whose knowledge base outstrips that of the competition. Intelligence without question is an influence-multiplier in the sense that it

enables a state to apply its other instruments of influence more effectively. And when I recently put the proposition "what targets should British intelligence concentrate on now?" to one of that heroic post-war breed of old Empire heads-turned-intelligence officers, without hesitation he replied "terrorism, international crime and trade". To his I would add weapons proliferation, especially nuclear, biological and chemical.

That said there is, I am sure, considerable scope for re-ordering the UK's intelligence effort within a gradually – though not dramatically – shrinking allocation of resources. Michael Herman is convincing on the need for cuts to fall on the collection side rather than upon the all-source analytical capacity where he wants both improvement and modest expansion.

This might be the time, too, to consider the feasibility of knowledgeable outsiders from universities and business being brought in to the JIC process to help avoid "tunnel vision".

Another crucial element in any hard, forward look would include the durability of the special intelligence relationship with the United States. Without it Britain would slip swiftly from its upper second division status as an intelligence power. Yet I suspect that so powerful is the Transatlantic and old Commonwealth nature of that relationship (which is enshrined in the 1947 UK/USA agreement) that the British intelligence community may be sceptical of and resistant to some of the opportunities that may arise if Europe continues to integrate and the UK remains part of that integration process.

The point I am making, in

essence, is that late-Nineties Whitehall, whatever the electorate decides next spring in terms of the political personnel of government, must see a really thorough review of Britain's place in the world which sweeps up all the elements of our external relationships. Only then can the kind of intelligence capacity the UK needs in the 21st century be properly assessed and its costs set in the context of the gamut of policies, people and institutions which make up the British world.

Whatever might come out of such a review, the Treasury will continue to see what remains as an expensive jolt creation scheme for a certain kind of Brit who cannot bear to think of his or her country falling out of the great game. And who is to say the Treasury is wrong?

If the Treasury could apply its resource accountancy skills retrospectively, even they might appreciate that just one potential armed conflict averted in advance thanks to reliable and timely intelligence would fund the whole apparatus for several years. The capital costs arising out of the Falklands war (quite apart from the battle hills themselves) reached £2.6bn over the first five post-invasion years – equivalent, at mid-Eighties prices, to about three years' worth of total British intelligence.

The writer is Professor of Contemporary History at Queen Mary and Westfield College, and author of *Muddling Through: Power, Politics and the Quality of Government in Post-war Britain* (Gollancz, £20). This article is based on a lecture given yesterday to the Royal Institute for International Affairs.

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People and Business

CITY & BUSINESS EDITOR: JEREMY WARNER

Founders of Prism Rail in £27m shares bonanza

MICHAEL HARRISON

Seven founder investors in Prism Rail, the company set up to bid for passenger train franchises, were sitting on a shares bonanza worth £27m last night after launching a rights issue to fund their latest successful deal.

The investors, six of whom run private bus companies, already owned 5 million of Prism's 13 million shares valued at £20m. Yesterday they were

awarded another 1.83 million shares worth £7.4m after the company took over its latest two franchises, South Wales and West Railway and Cardiff Railways.

Under a complex deal agreed at the time Prism gained its stock market listing on the Alternative Investment Market in May, the founders received 6.52 million deferred shares in return for agreeing to fund the cost of Prism tendering for rail

franchises up to a maximum of £27m.

The subscription agreement ensures that the founder investors receive deferred shares equivalent to 25 per cent of any new ordinary shares issued. The deferred shares are convertible into ordinary shares on a one-for-one basis each time a franchise is awarded and fresh equity is raised to fund its operations.

In addition to the new shares

awarded yesterday, the seven founders also shared in a payment of just under £900,000 for waiving their entitlement to take up shares in the rights issue.

Prism is raising £12.4m by way of an 11 for 26 rights issue at 240p compared with last night's closing price of 405p. Even if the shares do fall to their theoretical ex-rights price after the new issue, the founders' shareholding will still be worth £22.1m.

The founders are Godfrey Burley, who runs East Yorkshire Motor Services Group, and his partner in the business Peter Shipley; Giles Fearnley, who runs Blazefield Buses, and his partner Stuart Wilder; Bob Howells, chairman of Lynton, and Len Wright of Q Drive, which are both also bus companies. The seventh founder is Kenneth Irvine.

In addition to the two South Wales franchises, Prism also op-

erates the London-Tilbury-Southend line and has been shortlisted for a further four franchises. These are Cross Country Trains, West Anglia Great Northern Railway, Merseyrail Electrics and Anglia Railways.

Prism is projecting a profit of £8m in the year to the end of March 1998, the first full year for the enlarged group, and said its net assets, on a pro forma basis, were £21.4m.

A spokesman said that the large share rewards the seven founders had received reflected the risk they had taken by investing their own money and time in bidding for rail fran-

chises without any guarantee that they would win a single one.

South Wales and West Railways operates short train routes on the former Western, Southern and London Midland Regions of BR and will receive a subsidy of £70.9m next year.

Cardiff Railway operates in the valleys north of Cardiff and will receive a subsidy of £19.9m net year.

Comment, page 21

Statistics point to steady growth and low inflation

DIANE COYLE

Economics Editor

Keoneth Clarke, Chancellor of the Exchequer, could not have wished for a better set of economic statistics than he got yesterday, painting a picture of low inflation and steady, sustainable growth. The favourable economic background helped keep this pound at its highest level against the Deutsche mark for nearly two years.

Yesterday's figures suggest that the Chancellor will be able to brush off pressure from the Bank of England to raise the cost of borrowing. Eddie George, the Bank's Governor, has warned that base rates will have to rise at some point to keep inflation on target.

Underlying inflation at the factory gate last month returned to its lowest since 1967, at less than 1 per cent. Most of September's increase in manufacturers' costs and in the prices they charged for their output was due to higher oil prices.

The Treasury said this was "an excellent base for falls in inflation in the high street".

A separate survey showing that retail sales by big stores remained healthy in September but had slipped back from August's heady pace of increase

busted this claim. "Fears of a runaway consumer boom are misplaced," said Andrew Higginson, chairman of economic affairs for the British Retail Consortium.

The recent surge in oil prices took prices at the factory gate up 0.4 per cent last month to a level 2.2 per cent higher than a year earlier. It was the highest monthly increase since January, with crude oil prices at their highest since the Gulf War.

However, "core" prices, excluding food and energy, rose only 0.1 per cent. Their annual rate of increase slowed to 0.9 per cent, the lowest for nearly 30 years. Prices paid by manufacturers for inputs of fuel and raw material rose 0.3 per cent

last month. But their core rate was also only 0.1 per cent, taking 6.5 per cent lower than a year earlier.

"All this bodes well for inflationary pressures at the retail level," said Alex Garrard, an economist at investment bank UBS.

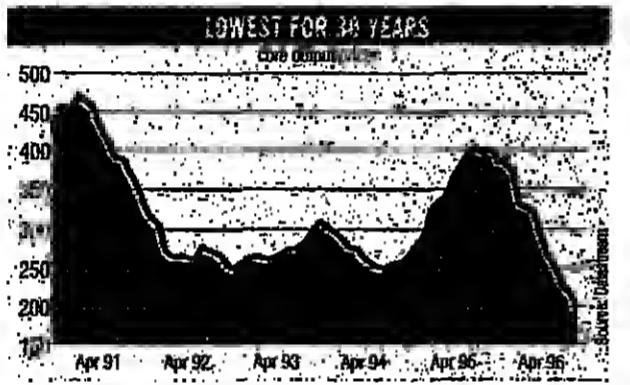
"Retailers are finding it difficult to make higher prices stick despite the upswing in consumer demand."

The prospect that this favourable background will translate into lower retail price inflation was reinforced by the latest high street survey. The British Retail Consortium reported a 5.2 per cent rise in the value of retail sales in the year to September, down from 6.9 per cent in August.

The prospects for interest rates depend on how long the inflation indicators remain so favourable and on how fast the pace of demand picks up. "The Bank of England lacks the ammunition to push for a rate hike," said Michael Saunders, an economist at Salomon Brothers.

Although yesterday's figures all went Mr Clarke's way, the all-important initial estimate of GDP in the third quarter will be published before the next monetary meeting, due on 30 October. The broad measure of economic activity may point to stronger growth than indicated by figures for the high street alone.

The pound closed slightly higher at DM2.4158 and \$1.5795 yesterday.



Buoyant form: Martin Edwards, United's chairman, whose stake is now worth £60m on paper.

Man Utd shares hit new high

Manchester United extended its outstanding recent stock market form yesterday as rents led speculation sent the share price soaring by around 10 per cent for the second straight session, writes Patrick Tooher.

The latest gains followed that American Mark McCormack's IMG marketing agency was considering a bid for the FA Cup winners and Premier League champions.

IMG declined to comment on the United story, but said it was interested in increasing its involvement in football.

Earlier this year IMG lost out to sportswear company Adidas in a battle for control of former French football champions Olympique Marseille.

United's shares soared 45.5p to 559p, valuing the club at almost £350m. The share price has virtually trebled since the start of the year. The latest winning run was triggered when chief executive Martin Edwards, who owns 17 per cent of the company, said last week that United's status as Britain's most profitable soccer club made it a likely bid target.

The publishing group VCI made a £300m bid for United earlier this year which was rejected. Potential income from pay-per-view deals is also helping to drive the share price higher.

Regulators 'would be SIB departments'

PETER RODGERS

Financial Editor

Labour yesterday hardened up its commitment to legislate to reform City regulation, with a promise that all the City's junior watchdogs would lose their identities and be converted into departments of the Securities and Investments Board.

O'Brien: Said he wanted to end regulatory arbitrage

Labour has long planned to legislate for a single regulatory authority but until recently left open the question of whether the individual regulators would maintain some form of separate identity within the planned single statutory organisation.

Mike O'Brien, the Labour City spokesman, made clear that this was unlikely. He said: "We do not believe there is any

Tesco offers Internet shopping

NIGEL COPE

Tesco has launched a home shopping trial on the Internet in an attempt to attract shoppers who are too busy to visit their local supermarket. Tesco Direct started the service in the Ealing area of West London last week and will extend it to other areas if it is successful.

The service offers 20,000 product lines, a similar number to a full-sized supermarket. The goods are available at supermarket prices though customers pay a £5 charge for delivery.

Customers must be members of Tesco's Club Card scheme and can order their groceries through the Computer-serve Internet access provider. They can also order by phone or by fax. Orders are delivered the following day.

It had developed into a hybrid structure, halfway between self regulation and statutory regulation, and had failed because it was too difficult to serve the public and business interests at the same time, Mr O'Brien said. Labour plans to make the SIB a statutory organisation answerable to the Treasury but operating from its arm's length as a free-standing agency.

Mr O'Brien said this would simplify the structure and end "regulatory arbitrage" – in which firms seek to be regulated by the SRO giving them the easiest terms – and clarify responsibility.

The public would know who to complain to and investors from abroad would know which rules apply to their particular area of investment, he said.

"I don't think it will appeal to everybody. It depends how much people value their time," says Paul Arnold, business consultant for Tesco Direct.

Tesco's move into home delivery is the most significant yet by one of the supermarket majors. Sainsbury's has links with Flanagan's, a south London company which offers a supermarket Direct service on a limited number of lines. And Safeway is considering following Tesco and Sainsbury on to the Internet to offer flowers and wine. But Tesco is the first UK supermarket group to offer a full range of groceries on-line.

Forecasts by Andersen Consulting show that home delivery could soon account for around 20 per cent of UK grocery shopping. Some experts say the supermarket giants could lose their market dominance to smaller operators or branded manufacturers who may be able to offer lower prices as they do not have the additional costs of an expensive store portfolio and large wage bills.

They say the supermarkets are over-estimating customer loyalty and the way shoppers feel about the grocery trip.

The supermarkets have been

dismissive about these threats but are monitoring the market closely. They say customers enjoy visiting the supermarket and would be unhappy about someone else selecting their tomatoes or bananas. The Tesco system enables users to include comments on how ripe they would like their fruit, or what substitute they would like if it is not available.

Some home delivery schemes in America show that fruit and vegetables are the most popular items ordered. Work on virtual reality versions of the supermarket could also soon be able to replicate more aspects of the supermarket experience.

Richard Perle of retail consultants Verdict Research is unconvinced that home delivery will become a mainstream business. "I'm sceptical about it becoming a major part of the grocery market though I can see that it would be attractive for busy professionals."

He adds that start-up operations or groups of manufacturers would struggle to match the buying power of the supermarket groups, whose sales run into tens of millions of pounds.

If home shopping looked as if it was going to take off, the supermarkets would launch their own services rather than see the market grabbed by a rival, he believes.

Pan Am returns to the skies

DAVID USBORNE

Miami

On time and with a decent passenger load, our A300 Airbus lifts off from Miami, bound for New York's John F Kennedy.

Some of us may feel a twinge of anxiety – this is a start-up airline, after all, only in the second week of operation. The fact that its name is Pan Am might help. Then again, it might not.

Five years after the Pan Am signed its last breath – killed in part by the 1986 Lockerbie crash of flight 103 – its old blue-globe logo is aloft

once again. My plane is christened in the Pan Am tradition with "Clipper America" painted on its side. The pilots wear the familiar white caps.

With only three Airbus aircraft in its fleet, flying between Miami, New York and Los Angeles, the reincarnated Pan Am is, for now, a shadow of its once-venerable predecessor. Another eight aircraft are on order, however, and routes may be added both domestically and to Ireland and Berlin.

It is the name that is returning to the skies, not the old company. Earlier this year, Martin

Shugrue, a former chief operating officer of the original Pan Am, purchased a fleet of Airbus aircraft from the estate of another defunct carrier, Eastern Airlines. He then teamed up with Miami investor, Charles Cobb, who in 1993 had purchased the Pan Am brand and logo at a bankruptcy auction. Thus the new Pan Am was born on 26 September.

There is a poignant gamble at the heart of the venture that nostalgia and sentiment about a carrier whose first routes were charted by Charles Lindbergh will outweigh memories of the Lockerbie tragedy that killed 270. "We do carry the Lockerbie albatross and it will be always with us," said Bill Dix, vice president for passenger services.

Some relatives of victims of the Lockerbie tragedy that killed 270. "We do carry the Lockerbie albatross and it will be always with us," said Bill Dix, vice president for passenger services.

About 40 per cent of those recruited to the new Pan Am were with the old carrier.

Two hours, a hot meal and an in-flight film later we touch down, two minutes ahead of schedule.

Tunnel seeks longer franchise

MICHAEL HARRISON

Euroltunnel yesterday indicated that it might not get support for the rescheduling of its £8.7bn debt mountain unless the British and French governments agree to a "substantial" extension of its concession.

The Channel Tunnel operator yesterday submitted a formal request for the franchise to be lengthened from the present expiry date of 2052. The company is thought to be looking to extend the concession from 65 to 99 years.

"In the board's view such an extension is very important to securing the approval of the restructuring plan by shareholders and banks alike," it added.

The announcement caused some surprise since only last week Euroltunnel said that approval for the rescheduling was not contingent on its concession being extended and appeared to play down its importance.

If the concession is extended then shareholders will receive extra warrants entitling them to subscribe for new shares at 130p. If they were fully exercised then existing shareholders could see their share of the enlarged equity rise to 55.5 per cent, supposing the banks do not convert any of their equity notes into shares, giving them control of Euroltunnel.

Alain Bertrand, formerly chief operating officer, becomes managing director, planning and development, with responsibility for "maximising productivity of group assets and personnel".

Georges Christian Chazot will see responsibility for Le Shuttle and through rail services divided up. Bill Dix, previously chief commercial officer, becomes managing director of Le Shuttle and James Evans continues as director of rail services.

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COMMENT

Sterling the new safe haven? Pull the other one

Sterling as a safe haven? Well there's a thing. And yet amazingly this is one of the reasons cited by traders for the present strength of the pound. By any stretch of the imagination this is a turn up for the books. For thirty years or more, sterling has been a pariah currency, the sort of coinage you could pretty much guarantee to lose your money in over the long haul. Now, some believe, a new competitor is about to enter the ring for the title of weaking of Europe - the euro.

This is very much based on the idea that Maastricht will be fudged to a degree that will allow both Italy and Spain in from day one, in which case the euro might be expected to behave more like the lira and peseta than the D-mark. Up until recently the markets had assumed that the Bundesbank line on the need to keep out the soft Mediterranean currencies would prevail. But now we have both Italy and Spain in a mad dash to join EMU at its planned starting date of 1999. As a result, there is a growing prospect of a wider and more unstable single currency.

Meanwhile, the plucky little pound, standing bravely aloft from the euro, will take on the attributes of the Swiss franc as a currency that holds its value through thick and thin, an attractive haven for the rich and secretive.

What we are witnessing, those who hold this view insist, is a sea change, with sterling climbing back to its pre-war position

as one of the strongest currencies in the world.

And pigs might fly. While there are certainly signs aplenty that the British economy is kicking old habits, markets are going to take a little bit more convincing yet. Other explanations for sterling's strength are rather more mundane, short term and believable.

The first is that gilts look cheap against European bonds, which in turn have been buoyed by the dash to the euro and german-style bond yields. For the next few months at least, sterling assets look attractive to foreign investors. And here's the secret reason why sterling is showing strength: short term interest rates in the UK are on the turn with the next move most definitely up, probably sooner rather than later. The very strength of the pound, the effect of which is to dampen the economy and inflation, gives the Chancellor a little more leeway than he had before, but even so there can be little question that he must raise interest rates again shortly. Third, there is the strong oil price, up very substantially over the last year; it is easily forgotten that Britain is still a net exporter of oil and gas.

For all the Chancellor's achievements, the UK's inflation rate remains above the EU average - well above it if Greece is excluded. Many economists, not just a hard-core of "sado-monarists", think the current recovery will prove inflationary, if not as seriously so as the Lawson boom. The pound might be a good bet for several months, but it has

not yet knocked the mighty mark off its pedestal. So changes do happen, every now and again a currency takes on a different kind of status, but such change rarely happens over night. Certainly sterling is not there yet.

Another day, another takeover rumour concerning Manchester United, and another burst down the wing for the share price. What on earth is going on? Martin Edwards (Mr Chairman to his ground staff) is beginning to attract bid speculation like Vinny Jones accumulates red cards.

Perhaps it is something to do with his suggestion that the club would have to consider a bid if it was pitched at more than £400m - against a current market price of £350m. That is not the kind of thing chairmen of publicly quoted companies normally say. Then again, Manchester United, indeed football clubs as a genre, do not make for normal quoted companies.

Just look at Celtic, where the wizards of the financial alchemy are producing some very strange results. It lost £1m last year, it hasn't won anything on the field for ages, it is perennially poor relative to its Glasgow rival Rangers, and yet the share price has doubled in the last six months to £30. Ay, that's football, laddie.

The meteoric rise in Man Utd's share price has a little more substance behind it. It has won the double (again), it is back in

the European Cup, which is a licence to print money now that they have dreamt up the wheeze of turning it into a mini-champions league, and it has the new BSkyB television deal, and pay-per-view to whet the appetites of its City supporters. Television income alone could treble to £15m next year.

Hang on, though. It is at the end of the day and when all is said and done Brian, only a football club, and the defining feature of football, unlike other sectors of the entertainment industry, is that there can only be one winner. What happens to those gate revenues, the TV income, and the Giggs duvel covers when United crash out of Europe and Newcastle finally snatches the Championship from them?

This does not seem to have deterred an apparently endless stream of potential bidders from Michael Grade's VCI video business to Granada, Whitbread and now Mark McCormack's IMIG. Can Sir Desmond Pitcher of United Utilities, which already supplies water and light to the masses in the north west, be far behind?

Football has come a long way from the days of stale park pies, lukewarm Bovril, uniforms that resemble cowsheds and egomaniacal owners who treat clubs like trophy assets. But is it really the sort of business which is appropriate for the stock market?

Perhaps football clubs will eventually tire of the disclosure requirements that come with public ownership and take themselves private again. In the case of Man Utd, Mr

McCormack could save them the bother if his rumoured interest turns out to be real.

Meanwhile its directors, who own 22 per cent of the stock, continue to do well as the punters dive in oblivious to the stream of denials from would-be bidders. And what of the referee in all this? The Stock Exchange has thus far stayed firmly on the sidelines.

Believe it or not, there have been even better performers than Man Utd these past six months. One is Prism Rail, which has seen its share price increase fourfold as the company scoops one BR passenger train franchise after another. These, you will recall, are the very same franchises that appeared so undesirable that hardly anyone wanted to bid for them. Once snapped up by a stock market vehicle like Prism, however, they suddenly seem to acquire great hidden value.

Someone, somewhere has got it wrong, and if it is the stock market, then there are going to be some body burned fingers out there.

In the meantime, the seven founder investors, who have so far put up £2m of their own money to finance these bids, have been royally rewarded. Even adjusting for the shares going ex-rights when the latest equity raising is complete, they will still be sitting on a £20m profit. Those investors queuing up twice around the block for the rights the founders have generously decided not to take up, may find they need strong nerves.

MMC report contained threat, says British Gas

CHRIS GODSMARK
Business Correspondent

The row between British Gas and the industry regulator, Clare Spottiswoode, continued yesterday after the company claimed the terms of her formal reference to Monopolies and Mergers Commission of its pipeline charges could be interpreted as a threat.

Ms Spottiswoode said the MMC's investigation would be confined solely to the prices charged by British Gas' pipeline and storage business, TransCo, after speculation that she was poised to ask for a much more wide-ranging probe into the company's structure.

However, the Ofgas press statement raised the possibility that the MMC could widen its inquiry, which is expected to last six months, at a later date. Ofgas said it "does not ask the MMC to consider structural changes to British Gas at this time; however, it is possible for the Director General [Ms Spottiswoode] to widen the terms of the MMC's investigation".

Philip Rogerson, British Gas's deputy chairman, said the company would have to prepare its evidence for the MMC panel on the basis that the investigation would eventually be expanded.

He said: "We are confused. First she says it's a narrow reference, but then she says it might be widened. I don't know how to understand it... this clearly could be interpreted as a threat."

The MMC referral followed automatically from the compa-

ny's decision to reject the controversial five-year price regime, which would cut average gas bills to 19 million domestic customers by £28 from next April. British Gas has savagely attacked the plans, which it claims would reduce TransCo's revenues by £650m a year and lead to 10,000 job cuts, half TransCo's workforce, putting the pipeline system's safety at risk.

Ofgas told the MMC the current price formula enabled the company to charge unreasonably high pipeline and storage prices compared with those needed to give shareholders a fair reward.

Earlier press reports had suggested Ofgas might want the MMC to consider whether the two businesses within TransCo International should be separated.

A wider MMC review into the structure of British Gas, which would have been the second in four years, could have threatened the company's plans to split itself in two. The demerger, due next spring, will give off TransCo into a separate company which would include other activities such as offshore exploration and production.

Mr Rogerson said he assumed Ofgas would not seek to reopen the issue of the demerger, which was advocated by the MMC in 1993. But he said: "We have no alternative but to prepare for the possibility that the investigation might be widened. I'm struggling to know how to read this particular phrase in the press release."



Philip Rogerson: 'The investigation might be widened'

IN BRIEF

• John Lewis Partnership, the privately-owned retailer, said total sales in the week to 5 Oct were 12.6 per cent higher than a year earlier. Turnover for the 10 weeks to 5 Oct rose 12.8 per cent from a year earlier.

• Philips yesterday warned of lower second half profits and signalled further job cuts. The Dutch electronics group said it was "most unlikely" that the second half would see an improvement in income from operations compared to the same period last year. In July, the company forecast an improvement in second-half results. "We believe it necessary to accelerate planned actions for recovery," Philips said, adding that further details will be included with the announcement of third-quarter results on 24 Oct.

• Chrysler reported record third quarter net earnings of \$680, or 93 cents a share, up from \$345m a year ago. The figures, way ahead of analysts' expectations, were lifted by a sharp increase in Chrysler's share of the retail car and truck market in North America, which rose 15.5 per cent compared with 13.6 per cent a year ago. Total unit sales of cars and trucks during the period were 645,766, versus 560,841 last year.

• St George Bank has launched a A\$2.65bn (£1.3bn) takeover of Advance Bank in a bid that will create Australia's largest regional bank. The new bank will have assets of A\$40bn, deposits of A\$22bn and shareholders equity of A\$3.5bn. St George will effectively acquire Advance by offering A\$7.30 for each Advance share, issuing a maximum 22.7m shares. The offer represents a 20 per cent premium over the average Advance share price in the last five trading days. St George will also raise A\$360m in a capital exercise.

• Rite Aid, the largest chemists' chain in the US, has agreed to buy Thrifty Payless Holdings for about \$1.4bn in shares and debt. Rite Aid will swap 0.65 shares for each Thrifty share, or about \$23.30 a share. The combined company will have 3,500 stores with \$10bn in revenue across 26 states.

• Archer Daniels Midland agreed to plead guilty to price fixing charges and pay \$100m in fines. The agreement announced by the corn and soybean processor follows talks with the US Justice Department and marks the closing chapter in a widely publicised, four-year inquiry that included hundreds of secret audio and video records.

• Gehe, one of Europe's largest drug wholesalers, declined to comment on reports it plans to sell all of its drug production units for a total of DM800m (£331m). German daily newspaper Handelsblatt said Gehe planned to sell its generic drug making units in order to focus on retail and distribution. Handelsblatt said Sanofi was interested in buying Gehe's Azupharma unit, which has sales of DM270m. Gehe also declined to comment on its effort to take over Lloyds Chemists, the British pharmacy chain. Gehe has offered £650m for Lloyds Chemists.

Highland Distilleries profits fall

TOM STEVENSON
City Editor

In its first full-year figures since acquiring Macallan-Glenlivet in an acrimonious bid this summer, Highland Distilleries disappointed the market with a 14 per cent fall in profits for the 12 months in August. Highland's shares fell 9p to 330p as the market focused on a 4 per cent decline in the UK Scotch market which accounts for the majority of the company's sales.

Reorganisation costs of £5m, combined with lower interest receivable, depressed results that were suffering from a stagnant market for whisky. Even though The Famous Grouse, Highland's biggest-selling brand, outperformed the market as a whole, it still sold 3 per cent fewer bottles than a year ago.

Highland's shares have underperformed the market by more than 20 per cent since the beginning of 1994 as the problems afflicting all spirits companies have been used as a pretext to derate the shares. After the above-inflation price



Brian Ivory: Hit out at rising duty levels in Europe

rises of the 1980s, the whole sector has suffered a hangover of stagnant demand, flat prices and high marketing requirements.

The chief executive, Brian Ivory, also hit out yesterday at rising duty levels in Europe which the Scotch industry sees as unfair to spirits companies.

In France a duty increase of 17 per cent is proposed compared to unchanged duty on beer and no tax on wine. France is Highland's largest export market, accounting for about 10 per cent of its export sales.

Ahead of the rises, Highland reported volume growth of 13

per cent in continental Europe and 8 per cent in America but Mr Ivory admitted that these markets were relatively small. Combined sales of £36.2m in these regions combined with £106.5m in the dominant UK market.

After the redundancy costs at Macallan, and including only £3.6m of interest received compared with the £6.4m achieved in the previous year, profits before tax fell from £42.9m in £37.1m. Before the one-off items associated with the Macallan deal, profits were flat at £36.5m, struck from a 2 per cent increase in turnover to £184.5m.

Highland's takeover of Macallan was pushed through in August after Suntory of Japan added its 25 per cent holding to Highland's 26 per cent stake to make a combined bid for the remaining minority. Highland said yesterday it had found potential cost savings of £1.5m in shared sales and marketing with its own Matthew Groat subsidiary.

Investment Column, page 22

BA and Virgin chase bankrupt French airline

JOHN WILCOCK

British Airways and Richard Branson's Virgin Express both announced bids yesterday for Air Liberté, a bankrupt French airline coveted for its strong position at Paris's Orly airport.

They face stiff competition from two French companies and a Government that would prefer a "French" solution.

The French bidders for Air Liberté are tour operator Nouvelles Frontières and Consorium de Realisation, the owner of troubled French airline AOM.

The eight-year-old airline is being sold by its administrators after running up Fr650m in losses in the first nine months of this year and accumulating Fr1.5bn in debt. The airline expanded rapidly in highly competitive markets, and went into receivership on 26 September.

British Airways offered Fr25m for Air Liberté and promised to keep 1,250 of its 1,300 permanent staff if its bid is accepted.

The Fr1.5bn debt lodged by Air Liberté with its administrators would not be taken on by BA under the terms of the offer, a BA spokesman said. A spokesman for Virgin Express, Richard Branson's low-fare carrier based in Brussels, said it has also "written to" the administrators with a proposal. Virgin refused to comment further.

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business

Imro fines four firms £400,000 for pension breaches

JILL TREANOR
Banking Correspondent

Imro, the investment regulator, yesterday gave its firmest indication yet of the tough line it is taking in its review of pensions mis-selling by levying hefty fines against four "independent financial advisers".

The fines, totalling £405,000 plus costs for rule breaches in pension transfers, are the first imposed by Imro in relation to pension transfer business conducted before new guidelines on pension selling were introduced in July 1994.

Imro also said it was making "substantial progress" towards completion of the review of the pension transfer scandal and said the majority of Imro regulated firms will complete their review within the 31 December deadline.

"Imro believes that its approach to the pension transfer problem, which has emphasised redress to investors coupled with disciplining firms for their past failings, has created strong incentives for firms to complete the review in a timely way," said Phillip Thorpe, chief executive of Imro.

IN BRIEF

Racial Electronics has been chosen to undertake exclusive negotiations with the Ministry of Defence to upgrade radar systems for Royal Navy Sea King helicopters. The news means Racial is likely to win the contract, thought to be worth around £90m, to replace radar installed in 10 of the helicopters by the company after the Falklands War. In July, Racial was contracted to replace radar for RAF Nimrod early warning aircraft. Racial said the two contracts, which are worth £150m, could create up to 500 jobs in supply companies around the group's plant at Crawley in Sussex.

Heworth, the building materials group, confirmed it was in talks with a "number of parties" about selling its refractories division. Reports named Austria's Radex-Heraeus, Global Industrial Technologies of the US, France's Lafarge and the UK's Cookson Group as possible buyers. CINVen, the venture-capital company, is also said to be interested.

The managing director of Associated British Ports, the port operating subsidiary of Associated British Ports Holdings, is stepping down for personal reasons. Alastair Channing, effectively number two to chairman Sir Keith Stuart, will not seek re-election when he retires at the annual meeting in April. His successor would be announced in due course, the company said.

Grashey, the electronics group, has won a £22m defence contract to supply chemical agent monitors to the Swiss Defence Procurement Agency. The deal has been secured by Grashey Dynamics and deliveries are expected to start in 1998.

RM, a supplier of information technology to schools and colleges, has signed a deal with Virgin Net to provide an education service to home users via the Internet. Virgin plans to launch its service in schools early next year.

Kier Group, the construction and property company, has increased profits to £7.3m in the year to June. The company recorded profits of £7m last year. Sales were 5 per cent ahead to £614m with the international construction division performing strongly.

Allied London Properties increased pre-tax profits to £2.3m from £7.9m last year. The chairman, Sir Geoffrey Leigh, said the company would acquire retail and industrial properties with the aim of improving rental income through tenant mix. He said profits not meeting this strategy would be sold.

James Halstead, the Manchester-based floor coverings manufacturer, revealed pre-tax profits for the year to end June of £10.6m, up from £10.3m, and raised its dividend to 9.25p from 8.5p. It expects to see a return to profitability at its loss-making Conway Products unit in the next three months, after which the group will look for new management to replace those who quit the unit in June.

Capita, the management consultant, has won a three-year contract to administer the national phase of the Government's nursery education voucher initiative. The deal to provide all administrative support for the scheme is worth approximately £15m. Capita already administers a pilot scheme in four local authorities.

COMPANY RESULTS				
	Turnover £	Pre-tax £	EPS	Dividend
Allied London Properties (1) - (-)	9.162m (11.05m)	6.5p (11.2m)	4.0p (4.0p)	
Brascole Holdings (1)	62.054m (33.042)	-50.408m (10.859)	-0.5p (-1.1p)	nil (-)
Five Oaks Inv (F)	6.57m (6.3m)	2.06m (2.33m)	2.0p (2.1p)	0.8p (-)
James Halstead (F)	11.64m (7.67m)	10.63m (10.32m)	23.51p (22.75p)	9.25p (8.5p)
Highland Distilleries Co (F)	18.3m (19.0m)	37.1m (42.5m)	20.7p (22.1p)	8.3p (7.8p)
Premier Farnell (1)	442.3m (354.5m)	56.1m (71.1m)	13.6p (38.5p)	5.20p (4.37p)
(F) - First (1) - Interim (B) - Nine months				

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Barings 'took bonus back from executive'

A former Barings bank executive was called "a star" and offered a £500,000 bonus hours before rogue dealer Nick Leeson brought the merchant bank to its knees, an industrial tribunal heard yesterday.

American-born Mary Walz, 36, who had day-to-day contact with the jailed trader, was allegedly promised the huge sum by the deputy chairman, Andrew Tuckey, at a meeting in London. But the next day news broke of Leeson's disastrous £830m losses in Singapore and Ms Walz never got the cash, the hearing was told.

Ms Walz was criticised in a

Bank of England inquiry into

the collapse of Barings for not

checking Leeson's deals. She

said she was offered the £500,000

bonus, insisting the offer was

"set in stone".

The offer was withdrawn af-

ter the bank crashed and four

months later Ms Walz was

sacked, along with 20 other

managers, following Barings'

rescue by Dutch bank ING.

Ms Walz, who headed the

bank's global equity financial

products arm, is demanding it

pay the annual profit-sharing

bonus. She told the hearing in

Stratford, east London, that Mr

Tuckey had praised her

performance before offering

her the bonus. Barings admits

discussing a figure of £500,000,

but claims it was only an "in-

formal pre-provisional notifica-

tion" which was withdrawn imme-

diately after the bank's col-

lapse in February 1995.

Opening Ms Walz's case, her

counsel, Mr Andrew Sendall,

said: "The customer practise

was that this bonus would be

paid in March each year. In the

meeting with Mr Tuckey on 23

February, he said words to the

effect of: 'You're a star'."

"He then handed her a doc-

ument on the 1994 profit share

bearing the words 'Mary Walz

— £500,000'. That was a con-

tractual entitlement and was to

be paid in tranches. She was given

the provisional notification

of the figure but the next day

news broke of the disastrous

losses caused by Leeson's ac-

tivities in Singapore."

Ms Walz was awarded £

£160,000 bonus in 1992 and

£200,000 a year later. She was

dismissed in July 1995 after be-

ing heavily criticised in the

Bank of England report for not

checking on Leeson's trading.

Employees retained by ING

after it bought Barings received

bonuses totalling £50m but

those who were dismissed re-

ceived nothing.

The case continues.

Archer accepts £35m offer

PETER RODGERS
Financial Editor

The reconstructed Lloyd's insurance market received a vote of confidence yesterday when Chartwell, a big US insurance group, made a £35m recommended cash offer for Archer, one of the top 10 managing agencies. The offer came 11 days after the two sides announced they were in talks, and is one of a series of takeovers of Lloyd's managing agencies by outside companies.

Managing agencies look after syndicates of Lloyd's investors—the market's names—and appoint insurance underwriters. There has been renewed interest in them in recent months since it became clear in summer that the market's £3.2bn rescue plan was likely to go ahead. The rescue was approved by the Government last month.

Archer would provide Chartwell with geographic diversification and direct access to the Lloyd's marketplace for future growth, said Richard Cole, chairman of Chartwell.

In other recent moves, Capital in the US has reached preliminary agreement to acquire RGB Underwriting, which has insurance capacity of £100m, and CLM, the UK Lloyd's investment fund, has agreed to acquire JH Chappell, which has £30m capacity. Archer is much bigger than these two, with £420m of insurance underwriting capacity.

Chartwell's offer of 92.5p a share includes a loan note alterna-

tive.

The Archer directors who speak for 22.4 per cent of the company, have given irrevocable undertakings to accept the offer in respect of their entire holdings. The undertakings are also binding if there is a higher offer for Archer. Chartwell already controls 5.4 per cent of Archer.

Archer expects to make a pre-tax profit of not less than £3m for the year to the end of September, and £1.7m after tax.



Mary Walz: Was heavily criticised in a Bank of England report on the collapse of Barings

Premier deal props up Farnell

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

When Farnell Electronics swallowed Premier, its far larger US rival, in a £1.8bn deal in April, the critics said it was a deal too far. The scope for slippage was considerable, they said. And with Farnell's regular business of supplying electronic components to engineers and manufacturers chugging along nicely, they questioned its logic.

Yesterday's figures and particularly the gloomy statement from the chief executive, Howard Poulson, seemed to prove the Jeremiads right. The first results to include the Premier deal, they showed that underlying profits at the renamed Premier Farnell were slightly below expectations at £6.2m. The Premier business contributed £3.4m less rationalisation costs of £7.7m. The market took flight at the figures and the share fell 20.5p to 660p.

At first glance it looks like a case of unfortunate timing. No sooner had Farnell's management got their hands on their acquisition than the markets ran into a wall. Volume growth slowed and, with a crowded market placing pressure on margins, margins weakened. In semi-conductors, unit volume demand remained relatively strong but excess capacity again hit prices and margins. Full-year figures for the 12 months to August were distorted by the one-off costs of the Macallan deal—perhaps behind the reported 14 per cent fall in pre-tax profits from £42.9m to £37.1m, the underlying picture is rather more prosaic with a 2 per cent rise in turnover to £184.8m resulting in pre-interest profits that were flat at £36.5m.

With the bulk of Grouse sales still made in the UK, Highland was hit hard by a 4 per cent decline in the overall Scotch market, even if it slightly outperformed the rest of the industry and gained a bit of share. Europe and America did well but they are relatively small in group terms and Highland has an insignificant share of the interesting Asian markets.

The susceptibility of Grouse to initiatives from Bell's was underlined by a 7 per cent fall in volumes in the one trade compared to a 2 per cent rise for the personality. Some developers create a reputation for shrewd timing and astute purchases that bears little relation to reality but, while it lasts, gives them and their share prices an enormous leg-up, letting success breed on success.

Those figures underscore the difficulties inherent in the spirits business—flat world demand, small price rises if any and the need to spend heavily just to maintain brand awareness and market share. Guinness and GrandMet are at least, now singing from the same hymn sheet as regards phasing out discounts to pay for greater mar-

ket

ing

which will help Highland's de-

termination to hold the line on prices, but it will be a long haul.

On the basis of forecast profits of about £42m and earnings

Kelleway's Glory out to steal Champion

Racing

GREG WOOD

The head-to-head of the season shows they will bill the Champion Stakes at Newmarket this Saturday. Sheikh Mohammed versus Henry Cecil for the undisputed trainers' championship of Britain. The world's leading owner, via his Godolphin organisation, and the trainer he sacked a little over a year ago will unleash their finest performers over Newmarket's 10 furlongs, and victory for, respectively, either Halling or Bosra Sham would all but guarantee first place for their connections in the earnings table for 1996.

Some might wonder that two mature and successful men should attach such importance to a tie which does not even come with a trinket for the sideboard, but be fully assured that they do.

Just a quarter of a point separated Halling and Bosra Sham when the books opened yesterday, with the former, who has won his last eight races on turf, slightly favoured at 6-4 with Coral and Hills. Bosra Sham is 7-4 with Ladbrokes, while the pair's closest challenger in the market, John Oxx's tough and

much-travelled filly Timarida, is all of 6-1 with the tote. With the likes of First Island, the Sussex Stakes winner, and Even Top available at 12-1 and 14-1, the odds imply that it is about 1-3 that one of either Halling or Bosra Sham will prevail.

Yet how often has an alleged two-horse race proved to be anything but? And how often too has the mischievous, unwanted guest at the feast been

RICHARD EDMONDSON
NAP: Statistician
(Leicester 3.00)
NB: Doctor Bravous
(Leicester 3.30)

Paul Kelleway, whose belief in his own ability remains fierce, regardless of the long line of empty boxes which greet him at his Newmarket yard each morning. He delights in succeeding at the highest level when everyone from his fellow trainers to the bookmakers has written him off, and the Champion Stakes, in which he will saddle Glory Of Dancer, could hardly be better suited to one of Kelleway's smash-and-grabs.

"You know me, the bigger the windmill," the trainer said yesterday, but behind the humour there is real confidence that Gl-

ory Of Dancer will run a big race this weekend. The form book seems to agree, despite an insulating quote of 50-1 with Coral and Hills, since Kelleway's colt has been running with great credit in Group One races ever since his fourth place behind Shantou in the Derby. He was short-headed in the Grand Prix de Paris, fourth in the Arlington Million and third to Timarida, beaten less than two lengths, in the Irish Champion Stakes at Leopardstown last month.

"He's always been a bit unlucky," Kelleway said. "He got shuffled back in America, while in the Derby he ran too freely and would probably have done better if he had been shuffled back. In Ireland, the winner gave us a bump, and I don't think the jockey [Olivier Peslier] read the race too well, and in the Grand Prix de Paris it was just a crime. He looked the winner all the way, the race was ahead a stride from the post and the other horse found a gap and nodded right on the line."

Peslier will again take the ride this weekend ("They'll go in a straight line," the trainer said, "and there won't be too many of them, though these Flat jockeys could get trapped in a walkover"), the only French connection in a race which has

crossed the Channel several times in recent years. One of those winners, Triptych, spent the week of the race stabled with Kelleway before her victories in both 1986 and 1987, while the trainer took all the credit himself when Swiss Maid beat Hawaiian Sound in 1978.

"She was one of my favourites," he recalls, "because she hated going into the stalls. Mandy Roberts, she'd have eaten



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Photograph: David Ashdown

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Kelleway has long believed that "ability and achievement aren't worth a glass of water", but both he and his horse are due a change of luck. With eight runners expected to go to post, the 50-1 each-way about Glory Of Dancer is impossible to resist.

The heavy-hitters may expect a two-cornered fight, but the unheralded bantamweight may yet put them both on the floor. ■ The Epsom Race Committee yesterday announced a new seven-day supplementary entry stage at a cost of £75,000 for the 1998 Derby in an attempt to enhance the quality of the race by allowing late-maturing horses the opportunity to run.

It took record to exceed that at Doncaster two nights ago, while Alan Hume's (Luton) 10-year-old gelding, the Lady of the Lake, became the fourth British-trained horse to win the race in 10 years. Nosey Nelly can now with a Haydock handicap in the mud 10 days ago. He has gone to 150 and he would be welcome to play in the mud 10 days ago. Goffs will also be run, and Rabbethill won on the last at Wincanton. Selected: DOCTOR BRAVOS

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sport

The more prosperous and fashionable of the clubs are likely to pose a greater threat to Welsh club rugby than league ever did

It would be a brave or foolish gambler who would put money on Neath to beat Harlequins at The Stoop next Saturday. The Quins have already defeated Cardiff and Swansea, on neither occasion playing their best team, whereas the Welsh clubs fielded more or less their first choices.

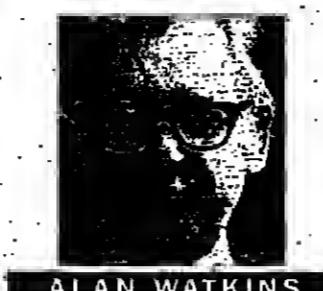
Last Saturday Brive defeated Neath in the Heineken European Cup. Despite the fact Llanelli beat Leinster and Pontypridd beat Treviso on the same day, and Cardiff (through a drop goal by Jonathan Davies) beat Wasps on Sunday, the overall record of Welsh clubs against outside opposition has not been outstanding.

In the second-order European Conference competition, Newport, Newbridge, Bridgend, Treorchy, Duvan and Ebbw Vale went down respectively to Agen, Glasgow, Cas-

tres, Bristol, Orrell and Gloucester. Only Swansea, who should in justice be competing in the Cup proper, managed a win, against London Irish.

As I predicted at the end of last season, the First Division Courage League clubs or, at any rate, the more prosperous and fashionable of them – Bath, Harlequins and Wasps, not to mention Richmond and Newcastle in the Second Division – are likely to pose a greater threat to Welsh club rugby than rugby league ever did. Indeed, if we look at the position more broadly rather than in a specifically Welsh context, we may conclude that it is now union which threatens league rather than the other way about.

In football, an ambitious young man usually wants to play for Liv-



ALAN WATKINS

pool, Manchester United, Arsenal or Spurs, irrespective of whether he comes from England, Scotland, Wales, Northern Ireland or the Republic of Ireland. They are the best clubs, and they happen to be in England. The various national football selectors choose from them without the slightest hesitation or embarrassment. In fact Jack Charlton, when he was assembling the Republic's side, was not only lacking in embarrassment but positively shameless.

I do not expect rugby to reach this stage – or not quite. But inevitably more and more talent is going to be drawn from the poor regions of the British Isles towards England because that is where the money is. In particular, it will be drawn towards the South-

of two seasons ago?

The Scots have always been comfortable taking players for their national side from English clubs: not only from London Scottish but from such clubs as Billy Steele's Bedford or Damien Cronin's Bath.

Indeed, many native Scots would maintain that they have been altogether too comfortable and that to maximise your chances of a Scottish cap you had better sign up for London Scottish, one of the big English clubs or one of the Edinburgh old boy sides.

The Irish have traditionally been equally comfortable, largely because the problem did not exist. In the last year, however, internationals have been crossing the Irish Sea with the ease and abandon of the Celtic Saints of old, who, it was be-

lieved, could walk on the water. They have gone chiefly to London Irish and to Saracens.

There is now a crisis because the national team is selected more from the provinces than from the clubs.

Naturally the English clubs, including London Irish, do not want their players going off to Ireland for provincial games or trials and missing training or League matches. The rational solution is for the Irish to hold their national training sessions at Sunbury on Thames.

But it is the Welsh who will find the transition most uncomfortable because we have always been so arrogant about our club rugby. This attitude persists. Great pressure was put on Gareth Llewellyn to stay in Wales and not to move to Harlequins. It seems he has been forgive-

nated because he remains in the Welsh side. Scott Quinnell, of Richmond, is having contract trouble but as soon as it is sorted out it looks as if he'll be back too.

His younger brother, Craig, has been playing even better for the same club and should be in the Welsh side as well, either at lock or at No 6. So, above all, should Alan Bateman, also now of Richmond. He should play outside Scott Gibbs of Swansea. In Saturday's encounter with London Scottish, Bateman was undoubtedly man of the match. The presence of the Welsh selectors Geoff Evans and Terry Cobner hinted that the old paternalism might be dying. I hope it does. It will have to if Wales are to field their best side.

Williams wait for Schumacher factor's effect

Damon Hill gave the championship a final gloss and Formula One went into official recess with the cosy feeling that the earnest endeavours of an honourable man had been rewarded.

That carefully applied veneer could not, alas, disguise the reality this had been a largely unspectacular season, the ease of Hill's concluding victory in the Japanese Grand Prix serving to highlight the fact.

Eddie Irvine recently expressed the opinion it had not been a world championship but a Williams championship. In truth, it never quite became that good. Jacques Villeneuve turned no chance into a slim chance, getting to grips with Formula One too late to catch up with Hill.

It is not the first time one team has been streets ahead of the rest and will not be the last. In the past, however, there have been classic domestic duels which have ignited the championship: Alain Prost v Ayrton Senna at McLaren, Nelson Piquet v Nigel Mansell at Williams.

This season was reminiscent of 1993, when Prost's title was virtually a foregone conclusion, his progress only occasionally interrupted by Senna when freak of circumstance permitted. The Frenchman's team-mate made no challenge, whether or not he was able to. Hill accepted the role of dutiful No 2.

Riccardo Patrese had been a more reluctant supporting act to Mansell's command performance the previous year, and although the Englishman's title was never in question he at least gave the impression he was exploring the limits of the Williams. As Patrick Head, the team's technical director, recently reminded us: "I like to see the car have its neck wrung."

That was not Prost's style and it is not Hill's style. Britain's latest champion is at his best pampering himself at the front and the superiority of the Williams proved him with that luxury.

Williams won 12 of the 16 races this season, and all four reverses are regarded by the team to have been self-inflicted. A bizarre Monaco Grand Prix, in which three cars finished and a Ligier, driven by Olivier Panis, won, was a cruise for Hill until

Derick Allsop on a Formula One season when one team achieved too great a dominance

he joined the list of retirements.

The other three races went to Michael Schumacher, the one driver capable, as Senna was in 1993, of seizing on the slightest opportunity. His brilliance was assisted, at a wet Barcelona, by the settings on the two Williams, at Spa he profited from a mix-up in the pit to driver communications and he had the incomparable pleasure of driving a Ferrari to victory at Monza after mistakes by Hill and Villeneuve.

There was simply no genuine competition. Ferrari relied on Schumacher's unequalled talent, Benetton revealed how much they had relied on it, and McLaren were still trying to make up lost ground. The rest remained in the Second Division.

Head said: "It sounds a bit big-headed, but I have to say I've been a bit disappointed with the lack of competition. Taking nothing away from Schumacher, because he is outstanding, but we've made a mess of it at some races and you can't afford to give him such opportunities."

Williams will take ample consolation from their overall performance this year which justly earned a record-equalling eighth constructors' championship. They were self-critical enough to admit they needed to sharpen their act and they did. They now feel they must sharpen it further if they are to retain their titles.

Schumacher's contribution to a season in which he surrendered his championship actually enhanced his reputation and standing above all others, even if he could not always contain his contempt for his main rival. Again, shades of Senna.

Not only pre-eminent off the track, but also smart enough off it to win over everyone in the team. Schumacher never publicly criticised the slapstick incompetence. Ferrari demonstrated mid-season, a lesson Hill might take on board.

Martin Brundle observed: "That was extremely classy of

Schumacher. He no doubt licked their backsides behind the scenes, but out in the open he was calm and understanding while all around him seemed to be collapsing."

Williams have already figured Schumacher will be their chief opponent next season, and they patiently believe they are more likely to resist him with Heinz-Harald Frentzen, rather than Hill, alongside Villeneuve.

Schumacher's recent assertion that he and Ferrari may have to wait until 1998 to realise their full potential is seen by Frank Williams as a cunning ploy by the German.

"Michael is very good at that," Williams said. "The more he says he doesn't think he can beat you, the more he means he is really going to get you between the shoulder blades."

"His going to Ferrari has been good for Ferrari and Formula One. Without him they would still be really struggling. He's given them great hope. The last thing Formula One needs is Ferrari 'au revoir'ing the scene. Michael will certainly be the linchpin that keeps them in for a long time."

"I love him in my car, but I don't believe it will ever happen. He's just used to receiving so much money. Although we're always trying to beat him, people probably think we're his mortal enemies, which we're not."

"We're just as big a fan as everybody else. He's a brilliant driver. He's the class of the field. Any team that doesn't have Michael has a problem."

Williams consider Ferrari's progress with their engine another ominous pointer for next season. If the new car – under development – bears a remarkable resemblance to the Williams it is as effective then the Oxfordshire camp will have serious cause for concern.

The trend at Ferrari is upward and what they've done with the V10 in one season is astonishing," Williams said. "No one else has done that. So they must know what they're doing. And they're going to get the car right."

The sport in general and Germany in particular is already anticipating weighty confrontation between Schumacher and Frentzen. Compatriots,

former team-mates and the added ingredient that Mrs Schumacher was once Frentzen's girlfriend represent a potentially explosive cocktail.

Williams said: "There's been a lot of hype about Frentzen being as quick or quicker than Michael, but I don't know. Lots of people are good till Formula Three, then peter out. On the other hand Alan Jones [Williams' first world champion in 1980] was never anything special till he got into a grand prix car. So it works both ways."

"I always take the pessimistic view, every year, every day even, and I'm surprised we had such an edge this year. I'm delighted about it but I'm not crowning because I really mean it when I say we're going to be up against it next year."

The rules are so tight and the others are making progress but don't tell Adrian [Newey] there's less scope for us to make progress. He's been sweating like hell in the wind tunnel, bless him."

Williams may have discarded Hill, but they are holding

Newey, their chief designer, in

his contract in the face of attempts by McLaren to lure him away, a measure of his talent.

McLaren and Benetton will hope they, as well as "Scuderia Schumacher", can threaten Williams next season, but we ought at least to be assured a Villeneuve-Frentzen battle.

As for Hill, he should have plenty of endorsements and personal sponsorship deals to boost his pension fund. If he can lead TWR Arrows to the head of that Second Division he will be the richer in sporting terms, too.

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"I always take the pessimistic

Montgomerie faces opening-day test against Woosnam

Golf

Colin Montgomerie is not often lost for words. But he was momentarily yesterday when told the name of his opponent in the first round of the World Match Play Championship at Wentworth on Thursday.

Europe's No 1 was drawn

against Europe's No 2, Ian Woosnam, in what is the first all-British opening-day tie at the event for 10 years. "I'm sure he won't be particularly impressed – as I'm not – but we'll both have to get on with it," Montgomerie said.

The Ryder Cup pair have dominated the European season. Woosnam won the opening two

tournaments while Montgomerie was resting, but the Scot returned with a victory and they have each had two further wins. When Woosnam missed the half-way cut in the German Masters two weeks ago, Montgomerie clinched his fourth successive Order of Merit crown.

Montgomerie will be trying to make it fifth-time lucky in the

World Match Play. He went out to Nick Faldo in the quarter-finals in 1991, to Corey Pavin at the last four stage in 1993, to Els in the 1994 final and to Elsington in the quarter-finals 12 months ago.

There is one landmark which he is certain to achieve this week. Even if he crashes to the Welshman, the £30,000 loser's

cheque would put him through the £5m barrier in European tour earnings, a figure only Bernhard Langer and Faldo have reached before. Woosnam, the winner in 1987 and 1990, would move to within £105,000 of the mark himself if he took the £170,000 first prize on Sunday.

The American Mark Brooks, the winner of the US PGA,

championship in August, awaits the winner in Friday's quarter-finals.

TOROYA WORLD MATCH PLAY (Wentworth, 17-20 October; seeded positions in brackets): 0815 and 2230: (1) S. Balle (Denmark); 0815 and 2230: (2) J. Els (South Africa); 0830 and 2245: (3) Woosnam (GBR); (4) C. Montgomerie (GBR). Who plays (5) M. Brooks (USA); (6) P. McIlroy (USA) v V. Singh (IND). Who plays (7) S. Jones (USA); (8) J. Van West (NED). Who plays (9) M. O'Meara (USA); (10) Lehman (USA).

Montgomerie faces opening-day test against Woosnam

Devils under fire

Ice hockey

Nottingham Panthers yesterday urged the Superleague to take action after one of their import players was knocked out in a physical game with the Cardiff Devils.

Panthers took the unusual step of sending a videotape of the game to the league to "prove our point". Darryl Olsen, the Panthers' Canadian defenceman, was knocked out after allegedly being hit from behind during Saturday's match, which Panthers lost 3-7 on their own rink. The Cardiff import, Marty Yechuck, was thrown out of the game after the flare-up in the 52nd minute.

Panthers are particularly concerned about the Olsen incident, but there are other aspects of the match they want the Superleague to take a look at. A Panther spokesman said: "We decided not to involve the police but to allow the Super-

league to deal with the matter. We have sent a tape of the game to them and hope they take the necessary action. They have the power to award penalties."

Olsen missed training yesterday, along with the forward Derek Landal who was also injured during the game. No one was available for comment at Cardiff Devils.

Sheffield Steelers will go to Finland next month for the semi-finals of the European Cup after completing a satisfying hat-trick of quarter-final wins. The British grand slam winners followed defeats of their Pool C rivals Hielo Jaca, of Spain, and Tilburg Trappers, of the Netherlands, with a 4-1 conquest of the section runners-up, Steaua Bucharest.

In next month's semi-finals in Finland, they face the host club HIFK Hameenlinna, the Norwegian champions, Storhamar Haamar, and the top side from either Belarus, Estonia or Kazakhstan.



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United look forward to life in 'Hell'

Football

GLENN MOORE
reports from Istanbul

Manchester United flew into "Hell" last night and found their Turkish hosts were more interested in killing them with kindness than frightening with death threats. Arriving for tomorrow's Champions League match with Fenerbahce, they were besieged with requests for autographs and television interviews rather than the jeering mob they had anticipated.

It is three years since United's infamous trip to another Istanbul club, Galatasaray, when players received death threats and were beaten by police after the game, while more than 200 gullible innocent fans were deported. United were held 0-0 and went out of the competition on away goals.

Like England and Poland, United and Istanbul appear to have become strangely linked ever since; this is their third visit in four years.

Gary Pallister said: "We know what to expect this time. The previous experiences stand us in good stead. The first time we went I didn't play, but I remember the reception at the airport. Those nice Turkish fans had banners like 'Welcome to Hell' and 'You will die'. It was unique. It took everybody by surprise."

Pallister then recalled a tale he recently related in the *Independent on Sunday*. "It was a crack-up. I was walking into the foyer of our hotel and I saw a porter. I nodded to him as if to say 'all right?' and he lifted a finger and slid it across his throat from ear to ear. I thought, 'they've even infiltrated the hotel.' I think Peter [Schmeichel] had stoked them up the first game."

"In that match the Danish goalkeeper grabbed a Turkish supporter who had invaded the pitch to protest in favour of the Kurds. The incident was reprised this weekend when a newspaper suggested he had received a death threat from a Kurdish group. Schmeichel vehemently denied that. 'It's crap,' he said. 'It's embarrassing to read that sort of thing. I am sick of reading things like that. The story is total rubbish.'

"We had some rough treat-

ment from the police after the first game but it only lasted 15 seconds. There was a stone thrown at the bus but nothing else. The second trip was fine, just Turkish fans singing around the bus. So what? It's part of the normal atmosphere at a match, especially in that part of the world. You could hardly call it hostile."

The team's reception vindicated his thoughts, although the match itself is likely to be played in a lively environment. Pallister said: "It was a good atmosphere to play in – it is better to play in than something like a morgue. You can take it one of two ways. It can intimidate you or you can laugh about it as we did last time."

Pallister's main concern is not so much the Fenerbahce fans as his own back. He missed Manchester United's victory over Liverpool on Saturday with the injury, a recurrence of the problem that put him out of Euro 96.

Pallister did not want to discuss it, but his manager, Alex Ferguson, said: "Neither Pally or [Ryan] Giggs trained today and I am a bit worried about them. Pally is the biggest concern, I want to see him in training. We have to be really careful with his back. If there are any doubts he won't play, we don't want to exacerbate it."

Giggs has a calf injury but like Paul Scholes and Jordi Cruyff, who also did not train, he is expected to fit.

They may be in the land of the magic carpet, but United will be hoping a more prosaic wooden board ease Pallister's worries. For some time, the club has travelled with bed boards for Pallister and Schmeichel, who has also suffered back problems. "We have the board and we will also sit him up the front on the plane and coach where he has more leg room," said Ferguson of Pallister. "You want your experienced players in for this one, they are a good side and really fancy them selves – that may help us."

Ferguson said he would involve Ronny Johnsen, the Norwegian international who was signed from the third Istanbul club, Besiktas, in the summer. "He has played in Fenerbahce and that is important," he said.

United's shares rise again, page 20 and 21



Open house: Pete Sampras (right), the world tennis No 1, meets the Governor of Hong Kong, Chris Patten. Sampras is in the colony to defend his Open title, with the first round of matches on Thursday

Photograph: Jason Reed/Reuters

Rusedski probable obstacle for Henman

Tennis

Tim Henman, the British No 1, beat Nicklas Kulti of Sweden, 6-7, 6-4, in the first round of the Czech Indoor tournament in Ostrava yesterday to set up a probable showdown in the second round with his Davis Cup partner Greg Rusedski.

"It was a tough match," Henman said. "I feel more comfortable in the second set. I enjoy playing a tough match right from the start; it focuses you quickly."

For the all-Britain confrontation to go ahead, Rusedski, winner of the Peking Open on Sunday, has first to beat the Swiss qualifier George Basti in his first-round match. That game will not be played until tomorrow to allow the left-hander time to recover from his flight from China.

Henman could meet Rusedski on Thursday, which would be the second time they have met in competition. Henman beat his rival, 1-6, 6-3, 6-2, and that is important," he said.

United's shares rise again, page 20 and 21

Championships in Telford last November.

Henman also learned yes-

terday that he could be a starter in the Compaq Grand Slam Cup to be played in Munich from 20-27 January.

Sixteen players, who have

the best records in the four

Grand Slams this year, compete in this lucrative event, with two alternate players on site in case of withdrawals from the original field.

Henman was only No 20 on

the list but both Sweden's Ste-

fan Edberg and Austrian Thomas Muster have withdrawn and the British player is now the second alternate.

For turning up in Munich he

will receive £33,333, and if two

more players drop out he would

receive a minimum of £66,666

for playing in the first round.

As for Rusedski, his triumph in Peking has boosted his world ranking from 73 to 53. Henman, who did not play last week because of blisters on his feet, remains at No 26 in the world rankings.

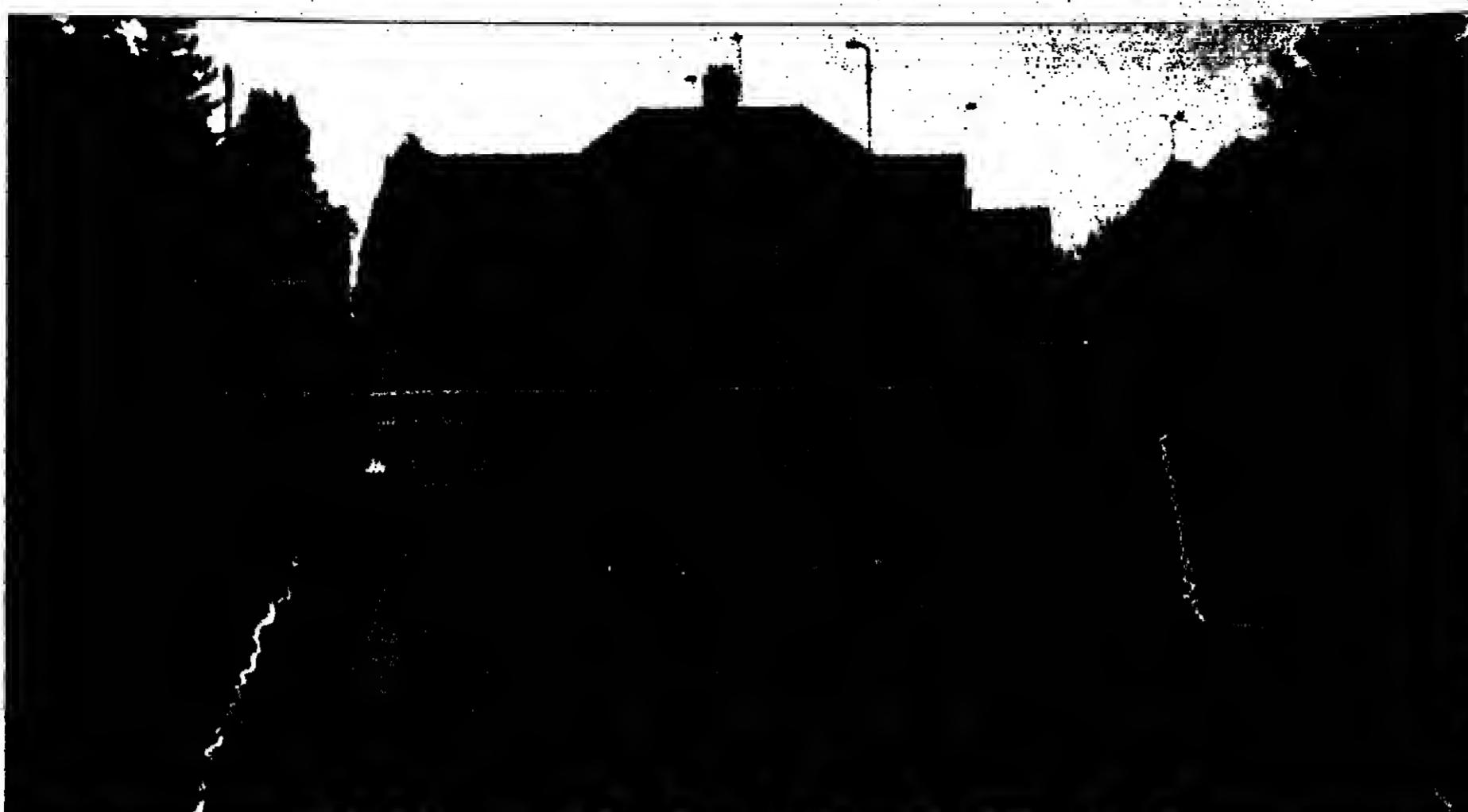
SPORTING DIGEST

LUCILLE PENN 26, Oluseye 70/71 (Best Soloist); Simeonov 5, 35; Grace 72 (Best Ensemble); Leedings 2 (Best Soloist); P. Polk, P. Polk 72 (Debut); G. Cuthbert 73 (Debut); J. Jones 74 (Debut); O. Mekhora (Lesbian Soccer Player); G. Lewis (Best Soloist); K. Jones (Knee Cancer Fund); S. L. Los Angeles 57 (Best Soloist); Los Angeles 57, and series 2-61; MLS Playoffs (Best Los Angeles); D. Williams (Best Soloist); Washington DC 61 (Sunday 4-10); P. Polk 62 (Best Soloist); P. Polk 63 (Best Soloist); P. Polk 64 (Best Soloist); P. Polk 65 (Best Soloist); P. Polk 66 (Best Soloist); P. Polk 67 (Best Soloist); P. Polk 68 (Best Soloist); P. Polk 69 (Best Soloist); P. Polk 70 (Best Soloist); P. Polk 71 (Best Soloist); P. Polk 72 (Best Soloist); P. Polk 73 (Best Soloist); P. Polk 74 (Best Soloist); P. Polk 75 (Best Soloist); P. Polk 76 (Best Soloist); P. Polk 77 (Best Soloist); P. Polk 78 (Best Soloist); P. Polk 79 (Best Soloist); P. Polk 80 (Best Soloist); P. Polk 81 (Best Soloist); P. 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SPORT

GLENN MOORE: Manchester United's trip to 'Hell'

DERICK ALLSOP: Williams wait for Schumacher factor



Going straight: The 20 runners in yesterday's Badger Stakes at Leicester, won by Present Situation, career up the straight mile - Racing, page 25; photograph, David Ashdown

FA charges Bosnich over salute

Football

ADAM SZRETER

Mark Bosnich, the Aston Villa goalkeeper, has been charged with misconduct by the Football Association following his Nazi salute to Tottenham supporters at White Hart Lane on Saturday.

Bosnich gestured to the home fans of a club known to have a wide Jewish following after they had taunted him over an incident he had been involved in with Spurs' former German international striker Jörgen Klinsmann at Villa Park in January 1995. But although Bosnich insisted it was not meant to be taken seriously and has apologised for offending some Spurs fans, the FA have evidently decided it could have provoked crowd trouble. The police are also investigating the matter as a possible public order offence and a report will be sent to the Crown Prosecution Service when they have completed their inquiries. Villa will be taking no action against Bosnich and their manager, Brian Little, has assured Bosnich that his first-team place is safe. The Villa chairman, Doug Ellis, had hoped the incident would be closed off after Bosnich had apologised - first

on Radio Five Live's 606 programme and then in a 400-word statement issued yesterday.

Ellis said: "He has apologised very fully and I had hoped this would be the end of the matter and the club won't be taking action against Bosnich. I've seen what he did, and I'm sure he did not mean any malice."

Little added: "Mark is an ex-

trovert who likes a bit of attention but he knows in this case he did something that was taken the wrong way and is full of remorse. He is a nice guy who would not intentionally hurt people."

Bosnich has clearly been taken aback by the volume of criticism over his actions and suggestions that he is a racist. In his statement he said: "What

I did wasn't meant to harm, it wasn't meant to confound. It wasn't meant to upset anyone. To anyone I've upset, I'm profoundly sorry and I can't be any more sorry myself."

"Ever since the Klinsmann incident I have been cast as a villain by Spurs fans. When an amusing reference was made to the incident on Saturday I im-

mediately acknowledged the Basil Fawlty salute as a mere jocular acknowledgement of the crowd's banter."

"I was astonished to be booked, let alone to raise the effect later generated. Once again, I am very sorry if I offended anybody, no offence was intended, only criminal mimicry."

The Arsenal striker Ian Wright has also been charged

with misconduct by the FA. Wright was reported to have called the Sheffield Wednesday manager, David Pleat, a "pervert" in the aftermath of a game at Highbury on 16 September. He has been ordered to attend an FA disciplinary commission on a date to be arranged.

To complete a day of misconduct cases at Lancaster Gate, Bryan Robson and Graeme Souness, the managers at Middlesbrough and Southampton respectively, have been similarly charged. Robson has been fined £1,500 and warned of his future conduct over remarks made to referee Michael Riley after the match with Nottingham Forest at the City Ground on 24 August.

Robson has also been ordered to give a written undertaking not to become similarly involved with match officials in the future. Souness has been fined £750 and warned about his future conduct as the result of remarks made to Riley after the Leicester-Southampton match at Filbert Street on 21 August.

The Professional Footballers' Association will announce the results of its ballot on possible strike action by Nationwide League players at the weekend. Ballot forms have to be in by tomorrow and, if the vote is in favour, League clubs will be given seven days' notice. The strike would then come into effect on 1 November, with the Grimsby against Sheffield United game on Sky Sports 3 two days later the first game under threat. The

England wing-half, is the new director of football at Barnet. Mulberry, previously manager of Brighton, Charlton Athletic, Crystal Palace and Queen's Park Rangers, will be assisted at Underhill by the new first-team coach, Jerry Gibson - another former Spurs player.

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David Pleat gave Sheffield Wednesday's record £3m signing, Benito Carbone, his Premiership debut against Blackburn at Hillsborough on Saturday.

"It's a big coup for our club - and a big one by anybody's standards," Pleat said of the 25-year-old former Internazionale attacking midfielder. "I'm looking forward to him scoring a few defences."

The Derby County striker Marco Gabbiadini, a £1m signing from Crystal Palace five years ago, has joined Birmingham City on a month's loan. He has been unable to claim a regular place in County's Premiership side this season.

MIKE ROWBOTTOM

Mark Tont, Britain's best bobsleighter over the past 10 years, was banned for life yesterday after failing a random drugs test.

The 35-year-old former Army sergeant, a member of the British team at the last Winter Olympics, admitted the offence after testing positive for anabolic steroid last month.

"I completely regret doing it," he said yesterday. "You see the stories. I've seen what's done to other people and people's careers. I wouldn't want anybody to feel how I feel at the moment but at the same time I'm not blind, I see what goes on in the world and I see what goes on in sport in general. You take your own position on that."

Tont helped British bobsledders enjoy their best Winter Olympics for 30 years in Lillehammer in 1994. He was sixth with Lemmon Paul in the two-man event and a member of the four-man team which finished fifth. He also advised Prince Albert of Monaco, who was competing at his third Olympics.

Speaking on Radio Five Live yesterday, Tont said he had been tempted to try steroids after suffering with back and leg injuries for an extended period. "I was getting treatment for my injuries with no success. I was speaking to various people and taking some advice that maybe taking drugs would help my problem. That was one reason why I tried it."

"And in terms of the injury it has certainly helped. When you are training hard and the injury keeps breaking down it speeds up the healing in the period afterwards."

He said that the pressure of trying to win a gold medal had played its part in his decision. "I don't think I wanted to admit that... but I am under certain pressure and maybe that's why I did it. It's difficult to appreciate it I think."

Tont said he felt he wouldn't be caught - "otherwise I wouldn't have done it" - but confirmed that he would not be appealing against the ban.

"I feel like I've failed," he said. "I've come a long way in the sport. When I first started it 15 years ago in this country we were a name and we just took part. Now the sport has a

profile and we have won medals over recent years and I have worked very hard to achieve that. I feel I have spoilt that by making a silly mistake. I have come so close and I know I won't get the chance to compete again."

As to what the future held, he added: "I have to pick up again and concentrate on survival. All my funding's cut, all my support is cut immediately this came out. I have to deal with it. It's very, very difficult. But I'll have to get on with life and I have to find some employment."

Nicky Phipps, Tont's former British team-mate, said the news had come as a great shock, adding: "I've known Mark for a long, long time and we were team-mates for many years."

"Within our sport, we know it has gone on over the years through the other countries and I suppose we never expected it to happen to us really."

Henrietta Alderman, secretary of the British Bobsleigh Association, confirmed that it was the first such case in British bobsledding, although there have been other drug cases internationally.

She added that Sean Olson, the second-choice driver for Britain in the last Winter Olympics, would have pushed him hard for the top spot at the next Olympic trials for the Nagano Games of 1998.

"Mark has been a dominant figure. But we have a lot of talented and hungry bobsledders coming through now," she said.

The BBA issued a statement saying: "The life ban was imposed by the disciplinary committee of the British Bobsleigh Association and subsequently ratified by the sport's governing board."

Tont: admits steroid abuse

Newcastle fear Budapest battle

RUPERT METCALF

Manchester United are not the only team travelling to one of European football's more volatile outposts this week. While the Premiership champions prepare for tomorrow's Turkish test, Newcastle United face what could be something of a battle in Budapest tonight.

The Magpies take on the Hungarian champions, Ferencvaros, in a UEFA Cup second-round first-leg match. The home team have a bad reputation, a near riot during their team's last round win over the Greek side, Olympiakos, earned them £50,000 fine and a severe warning from UEFA, European football's governing body.

Alan Muller, the 54-year-old former Fulham, Tottenham and

England wing-half, is the new director of football at Barnet.

Muller, previously manager of Brighton, Charlton Athletic, Crystal Palace and Queen's Park Rangers, will be assisted at Underhill by the new first-team coach, Jerry Gibson - another former Spurs player.

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Triumph over the twin impostors

It's the perfect end to a perfect season. I cannot begin to describe how elated I feel at having achieved the goal I have been striving for the past four years.

To have won the first race and the last race plus six in between pretty much sums up the year. I've led the championship right from the start and throughout the season. I've started on the front row of the grid for all 16 races and I have won half of them. It's something I'm very proud of. I could not have done any of that without the superb work of my four mechanics, Bob Davis, Les Jones, Paul West and Matthew Whyte. I must also thank my engineer, Tim Preston. This was Tim's first season playing that particular role in Formula One and he has dealt with the pressure incredibly well.

Adrian Newey, designer of the Rothmans Williams-Renault FW18, apart from designing yet another championship-winning car, has also worked with me all season, as has Denis Chevrier, my engineer from Renault. A special thanks to them. But of course, all members of the Rothmans Williams-Renault team have been essential in my victory. Their performance has been nothing short of brilliant.

Of course, I mustn't forget members of my supporters' club and everyone who got up early - or perhaps never went to bed - in order to watch the race live on Sunday. It's a tremendous feeling to have made it worthwhile for them; nothing pleased me more than to deliver a victory on top of everything else. I've never felt so happy to win a race. I experienced a similar feeling after my first grand prix victory in 1993; I wanted it to happen so badly and last Sunday's race was much the same even though I went into it knowing I only

needed a finish in the top six in order to secure the title. It would have been easy to back off once I knew that Jacques Villeneuve was out of the race because, at that point, I became the 1996 world champion. But I wanted to win the race for everyone at Williams Grand Prix Engineering. It would be a means of saying thanks to more than 230 people, most of whom you never hear about because they work with great dedication behind the scenes and don't come to the races. It is the same for the team at Renault Sport in Paris, another extremely hard-working group who must take credit for their part in my victory. Their performance has been nothing short of brilliant.

The hardest part was dealing with the mental battle during the final 15 laps as I tried not to think about the consequences of the championship and how I would celebrate, while, at the same time, concentrating on winning the race and signing off in the best possible way for the team which has given me 21 victories in the past four seasons.

I shall never ever forget this period in my life. We have had some unbelievable experiences, reaching fantastic high points and occasionally plunging into some terrible low periods along the way. This season has been typical but such pressures are part and parcel of winning the

championship. Driving the car is only a small part of it. The most critical aspect is dealing with the ups and downs of the season: the moments when everyone has written you off and the bouts of over-enthusiasm when praise is heaped upon you, and it is assumed that you are going to become world champion even though it is mid-season and there are still eight races to go. Winning the championship is about keeping your head straight all the way through. I have come from experience that nothing can be taken for granted in this sport.

The opening lap of Sunday's race was a good example. I made a very good start, whereas Jacques did not. But I knew that I had not won the race simply because I had reached the first corner ahead of everyone else. I thought of the Italian Grand Prix when I was in a similar situation, only for it to go all wrong. I was telling myself to stay calm, drive cleanly and quickly, build up a lead and get to the finish. It worked perfectly. It's a terrific thing to happen and I can begin to enjoy the experience now that it's over. But I am the first to appreciate that fate could have stepped in and Jacques could have finished the season as champion.

Jacques has had a revelation. When he first came to the team, I didn't know what to think but I quickly reached the conclusion that he's a very fine racing driver. I've enjoyed being with Jacques; there has not been a harsh word between us.

I have no doubt that Jacques will be a world champion of the future. It's an experience I can strongly recommend. The realisation is dawning but seeing that chequered flag on Sunday was a beautiful moment, one I will remember forever.

Détente



Whilst others are fighting religious wars about Microsoft NT versus UNIX, Hewlett-Packard and MorseData are working together to integrate them.

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Life ban for top British bobsledder

MIKE ROWBOTTOM

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The 35-year-old former Army sergeant, a member of the British team at the last Winter Olympics, admitted the offence after testing positive for anabolic steroid last month.

"I completely regret doing it," he said yesterday. "You see the stories. I've seen what's done to other people and people's careers. I wouldn't want anybody to feel how I feel at the moment but it's very, very difficult. But I'll have to get on with life and I have to find some employment."

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